

1 Q. And did you always sell the XRP for
2 individuals for -- for something of value?

3 A. Yes.

4 Q. Throughout the period, GSR made efforts on
5 behalf of Ripple to maintain orderly markets for
6 XRP?

7 MS. ZORNBERG: Object to form.

8 THE WITNESS: Yes.

9 BY MS. WAXMAN:

10 Q. And this was at Ripple's direction?

11 A. Yes.

12 Q. And what is your understanding of
13 maintaining an orderly market for XRP?

14 MS. ZORNBERG: Object to form.

15 THE WITNESS: At a high level, maintaining
16 an orderly market means being, you know -- I think
17 at the extreme, people talk about being the buyer of
18 last resort or the seller of last resort. The idea
19 is that you reduce the frictions, make it easier for
20 people to enter and exit positions and try and
21 dampen excessive volatility.

22 BY MS. WAXMAN:

23 Q. Going back to some questions we asked
24 before lunch, I asked you a series of questions
25 about whether or not you were restricted in any way

1 in how you sold XRP on behalf of Ripple and also on
2 behalf of the individuals.

3 Did you ever tell anyone at Ripple that
4 you were restricting Ripple's sales to particular
5 users?

6 MS. ZORNBERG: Objection.

7 THE WITNESS: No. No.

8 BY MS. WAXMAN:

9 Q. Same question for Mr. Larsen, did you ever
10 tell Mr. Larsen that you were restricting his sales
11 to particular users?

12 A. No.

13 Q. And did you ever tell Mr. Garlinghouse
14 that you were restricting his sales to particular
15 users?

16 A. No.

17 Q. Were Ripple's efforts publicly known --
18 Ripple's efforts to maintain orderly markets for XRP
19 publicly known, as far as you're concerned?

20 MS. ZORNBERG: Object to form.

21 MR. HANIN: Objection.

22 THE WITNESS: Ripple published a -- I
23 believe a quarterly report where they summarized
24 their activities as way of being transparent. So if
25 that's what you mean, then yes.

1 BY MS. WAXMAN:

2 Q. Other than the quarterly report, did
3 Ripple publish any other information regarding its
4 efforts to maintain an orderly market?

5 MR. HANIN: Objection. Foundation.

6 MS. ZORNBERG: Object to form.

7 MR. HANIN: If you know.

8 THE WITNESS: I don't recall.

9 BY MS. WAXMAN:

10 Q. Did you ever discuss with anyone at Ripple
11 XRP's status under the U.S. securities laws?

12 A. Yes.

13 Q. And with whom?

14 A. I don't recall any specific conversation
15 with any specific person, but over the course of
16 eight years, I presume that, you know, the topic
17 came up.

18 Q. Generally, what did you discuss?

19 A. As you can probably tell, I'm no legal
20 expert, so I wasn't exactly talking about any legal
21 minutia. It was -- the type of conversations we
22 would have had were more typically -- well, we think
23 things are going -- from their side, we think things
24 are going well, we're working with the regulators,
25 and we're hoping, you know, that everything is going

1 to arrive at a satisfactory -- I don't know, end,
2 however you want to call it. But, I -- you know,
3 we -- I did not have in-depth conversations with
4 Ripple about any legal merits or the case or
5 anything like that.

6 Q. These discussions that you had, who did
7 you have them with?

8 MR. HANIN: Objection.

9 THE WITNESS: Depends on when.

10 (Reporter clarification.)

11 MR. HANIN: I just objected and said it
12 was -- question had been asked and answered.

13 THE WITNESS: When do you mean, Daphna?
14 Because depending on the year -- generally, most of
15 my conversations with Ripple were with the person
16 leading the markets team. And the person who led
17 the markets team for I think the longest time is
18 probably Miguel Vias. But after Miguel there was
19 Breanne. Before Miguel, there were others.

20 BY MS. WAXMAN:

21 Q. When was the first time that you had a
22 discussion with anyone at Ripple regarding XRP
23 status under be the U.S. securities laws?

24 A. I really don't recall.

25 Q. Was it prior to Miguel Vias joining

1 Ripple?

2 A. I honestly don't recall. Can you remind
3 me, when did Miguel join Ripple?

4 Q. My understanding is he joined in
5 November 2016.

6 A. It's entirely possible, but I have no
7 recollection. I don't know when I had the first
8 conversation.

9 Q. Do you have any recollection of any
10 specific conversations with any Ripple employees
11 regarding XRP's status under the U.S. securities
12 laws?

13 MS. ZORNBERG: Objection.

14 MR. HANIN: Same objection.

15 THE WITNESS: No, I don't. Probably
16 because they wouldn't have had much substance. It
17 was more of a casual thing, like a ...

18 BY MS. WAXMAN:

19 Q. Did Ripple ever disclose to GSR that it
20 was being -- under investigation by the SEC?

21 MS. ZORNBERG: Objection.

22 THE WITNESS: I don't -- I don't recall.
23 I don't know if Ripple told us or if we saw it in
24 the news. I really don't know.

25 / /

1 BY MS. WAXMAN:

2 Q. When did you -- when did you first learn
3 about the SEC's investigation?

4 MS. ZORNBERG: Objection. Foundation.

5 THE WITNESS: I -- I -- years ago. But I
6 don't know -- I don't have any recollection. I
7 can't say this particular date.

8 BY MS. WAXMAN:

9 Q. Were you aware of the SEC's investigation
10 prior to the SEC filing a lawsuit against Ripple?

11 A. Prior to December of last year?

12 Q. Yes.

13 A. Yes. Yes.

14 Q. Okay. And were you aware of the SEC's
15 investigations during the period of time that GSR
16 sold XRP programmatically on behalf of Ripple?

17 MS. ZORNBERG: Objection.

18 THE WITNESS: I don't recall if I found
19 out before, during or after we sold XRP
20 programmatically.

21 BY MS. WAXMAN:

22 Q. Did anyone at Ripple ever tell you that
23 there was a risk that XRP could be deemed a security
24 under U.S. securities laws?

25 A. I mean, I don't recall.

1 MS. WAXMAN: Exhibit 63.

2 (Whereupon, Deposition Exhibit [REDACTED] 63
3 was marked for identification.)

4 BY MS. WAXMAN:

5 Q. Mr. [REDACTED], I'm showing you what's been
6 marked as Exhibit [REDACTED] 63, which is a screenshot of --
7 and it's information contained in an Excel
8 spreadsheet that GSR produced in response to an SEC
9 subpoena.

10 MS. ZORNBERG: So is there a reason
11 there's no Bates number on it?

12 MS. WAXMAN: The Excel spreadsheet doesn't
13 have a Bates on it.

14 MS. ZORNBERG: Okay.

15 MR. HANIN: Are you representing that we
16 produced this, GSR produced this?

17 MS. WAXMAN: Yes. Yes. And I can
18 probably pull up the Bates number after.

19 Q. Do you recognize what's been marked as
20 [REDACTED] 63?

21 A. I think this is a spreadsheet -- a
22 printout from a spreadsheet outlining the sales for
23 Bot 2h.

24 Q. Is this something that GSR put together?

25 A. I believe so.

1 Q. Is this a summary of trades in Ripple's
2 trading Vibe for 2019?

3 A. I think that's what it represents, yeah.
4 You can see on the left-hand column, the months in
5 2019, XRP sold, dollar received in exchange.
6 Mh-hmm.

7 Q. How much XRP did Ripple sell in
8 October 2019?

9 A. According to this spreadsheet, zero.

10 Q. And how much did -- how much XRP did
11 Ripple sell programmatically in November 2019?

12 A. Also zero.

13 Q. And what about in December 2019?

14 A. Also zero.

15 Q. And did Ripple cease its programmatic
16 sales in the beginning of October 2019?

17 A. From looking at the spreadsheet, one might
18 assume so. I'm guessing. I mean, I don't recall us
19 doing anything in 2020. It's possible, yeah, that's
20 when we stopped.

21 Q. And why did Ripple stop selling XRP
22 programmatically in September 2019?

23 MS. ZORNBERG: Objection.

24 THE WITNESS: I -- I do not recall. I
25 don't know.

1 BY MS. WAXMAN:

2 Q. Did Ripple ever tell you that the SEC had
3 asked it to stop selling XRP programmatically?

4 MS. ZORNBERG: Objection.

5 THE WITNESS: No. No. Not that I can
6 recall.

7 BY MS. WAXMAN:

8 Q. Did Ripple ever provide you with a legal
9 opinion as to XRP's status under the U.S. securities
10 laws?

11 A. I don't think so.

12 Q. Did you ever ask Ripple whether they had
13 obtained a legal opinion on XRP status under the
14 U.S. securities laws?

15 A. I don't remember if I asked it.

16 Q. Did GSR ever hire an attorney to provide a
17 legal opinion on XRP status under the U.S.
18 securities laws?

19 A. I don't remember.

20 Q. Is that something you would remember?

21 MR. HANIN: Objection.

22 THE WITNESS: No, I don't remember. I
23 know we received a legal opinion letter in
24 conjunction with our application for license in
25 Singapore under the MAS, which we discussed earlier.

1 I do remember that instance, but I don't remember in
2 the context of U.S.

3 BY MS. WAXMAN:

4 Q. When you say you received a -- are you
5 talking about a legal opinion as to XRP status under
6 Singapore law?

7 A. Correct, yeah.

8 Q. And what prompted GSR to obtain that
9 opinion? And I want to say, I don't want you to
10 divulge any conversations you've had with your
11 counsel. So if you can just answer that question
12 without --

13 MR. HANIN: The question was fair.

14 THE WITNESS: Part of the application
15 process for licensing under the MAS.

16 BY MS. WAXMAN:

17 Q. And why did you need to obtain licensing
18 under the MAS?

19 MR. HANIN: Objection. Foundation.

20 THE WITNESS: Because we were looking to
21 become regulated, and the MAS had a framework, and
22 we -- we wanted to opt into it. This is one of the
23 requirements.

24 BY MS. WAXMAN:

25 Q. And did GSR engage in any business related

1 to Ripple in Singapore?

2 MS. ZORNBERG: Objection to form.

3 MR. HANIN: Objection to the --

4 THE WITNESS: I don't remember if we've --
5 have we traded XRP on behalf of Ripple through our
6 Singapore operating entity is what you're asking,
7 right?

8 BY MS. WAXMAN:

9 Q. Yes.

10 A. I think the answer is yes.

11 Q. Okay. And what trading did you do on
12 behalf of Ripple?

13 A. I -- I think -- and please forgive me if
14 I'm wrong -- but I think that we service ODL from
15 our Singaporean entity.

16 Q. And when you say you service ODL from your
17 Singapore entity, what's -- what do you mean?
18 What --

19 A. So in order to service ODL, we trade XRP
20 against Mexican peso, Philippine peso, et cetera, on
21 a number of different exchanges, and we do that from
22 our Singaporean entity.

23 MS. WAXMAN: Exhibit 53, please.

24 Q. Mr. [REDACTED] I'm showing you what's been
25 marked [REDACTED] 53, which is a document with the Bates

1 RPLI_SEC 0878012 through -019, which appears to be
2 an agreement titled "Master Purchase Agreement," an
3 executed one. And it's dated July 3rd, 2020.

4 (Whereupon, Deposition Exhibit [REDACTED] 53
5 was marked for identification.)

6 BY MS. WAXMAN:

7 Q. Do you recognize what's been marked as
8 Exhibit 53?

9 A. Yes.

10 Q. And what is Exhibit 53?

11 A. The master purchase agreement.

12 Q. Who is -- if you turn to the last page,
13 it's signed by [REDACTED] Who is that?

14 A. [REDACTED] is one of our directors.

15 Q. And were you involved in negotiating this
16 agreement with Ripple?

17 A. Yes, I think so.

18 Q. Okay. And what was the purpose of the
19 agreement?

20 A. This agreement relates to purchases of XRP
21 that GSR did on behalf of Ripple.

22 Q. And when did those purchases begin?

23 A. I -- I don't recall.

24 Q. Were they in or around December of 2020?

25 A. I would presume so. That's the date of

1 the agreement signature.

2 Q. Why did Ripple want GSR to purchase XRP
3 during that time?

4 MS. ZORNBERG: Objection.

5 MR. HANIN: Objection.

6 You can give your understanding.

7 THE WITNESS: I -- again, I -- there are
8 multiple reasons. I don't know what was going
9 through Ripple's -- they didn't tell me specifically
10 why.

11 BY MS. WAXMAN:

12 Q. Did you have any discussions with Ripple
13 as to why they would want you to purchase XRP in
14 connection with this agreement?

15 A. Yes.

16 Q. What was discussed?

17 A. I remember at some point during the ODL
18 program -- you know, ODL is supposed to be net
19 neutral XRP, meaning you buy XRP on one exchange but
20 you sell it on the other.

21 At some point during the ODL program, I
22 believe that changed, and the first leg, the
23 origination leg, where the payment processor would
24 purchase the XRP stopped occurring -- it was my
25 understanding, on exchanges. And the payment

1 processors were purchasing XRP directly from Ripple,
2 which -- that was how I understood it. And so if
3 that happened, XRP would stop being XRP neutral.

4 You follow, right?

5 Q. So that caused an increase in supply of
6 XRP entering the market?

7 A. That would -- exactly. That would --
8 whereas ODL was -- was -- call it XRP neutral
9 equilibrium, as soon as you source XRP in
10 origination leg, you start increasing the supply of
11 XRP.

12 Q. You said -- did you mean ODL would stop
13 being XRP neutral?

14 A. Yes. What word did I say?

15 Q. The transcript says XRP would stop being
16 XRP neutral. Did you mean ODL?

17 A. I meant ODL. I'm sorry.

18 Q. So how did that relate to the direction
19 or -- how did that relate to Ripple's ask for you to
20 start buying?

21 A. Again, it's speculation on my part because
22 I wasn't told, this is why we're doing the buyback
23 program, but --

24 MS. ZORNBERG: I'm going to object to
25 speculation.

1 MR. HANIN: Don't speculate. The -- the
2 initial question was different, but don't speculate.

3 BY MS. WAXMAN:

4 Q. Based on your experience with Ripple
5 servicing the programmatic sales and servicing the
6 ODL product, what did you understand your role to be
7 in connection with these purchases?

8 MR. HANIN: Objection.

9 THE WITNESS: My role is execution agent.

10 BY MS. WAXMAN:

11 Q. And what did you understand the reason for
12 not -- for the purchases -- what was your
13 understanding?

14 MR. HANIN: If you have one.

15 THE WITNESS: Like I said, I -- I don't
16 think Ripple ever told me, you're going to do these
17 purchases for reasons A, B and C. Similarly is when
18 we were directed to sell, now we were being directed
19 to buy.

20 BY MS. WAXMAN:

21 Q. What did you believe the purpose was?

22 MS. ZORNBERG: Objection.

23 BY MS. WAXMAN:

24 Q. I understand your qualification that you
25 didn't have -- that Ripple didn't tell you. What

1 did you believe?

2 MS. ZORNBERG: Objection.

3 THE WITNESS: I don't -- I'm not sure how
4 I'm supposed to answer that question because I know
5 I'm not supposed to speculate. I'm trying to be
6 accurate.

7 BY MS. WAXMAN:

8 Q. I'm not trying -- I'm not asking you to
9 speculate on their -- what they thought. I'm just
10 asking you about your own belief, your own personal
11 opinion.

12 MS. ZORNBERG: Objection.

13 MR. HANIN: If you have an opinion, you
14 can give it. If you didn't have a view or opinion,
15 you shouldn't speculate.

16 THE WITNESS: My -- my opinion was that
17 if -- like I said, I wasn't sure, but I was under
18 the impression that ODL was no longer XRP neutral.
19 It was adding supply. And so this would be a way to
20 counteract that.

21 BY MS. WAXMAN:

22 Q. Was the additional supply having -- did
23 you understand the additional supply to have a
24 negative impact on XRP's price?

25 A. At a high level, whenever there is

1 incremental supply of any asset, you would expect it
2 to have an impact on the price.

3 Q. And did you understand that the buy -- the
4 reason for the buying in 2020 was the same reason
5 that Ripple was directing you to buy in the earlier
6 time period?

7 MS. ZORNBERG: Objection.

8 BY MS. WAXMAN:

9 Q. In terms of how it would affect the price.

10 MS. ZORNBERG: Objection.

11 THE WITNESS: I mean, in general terms
12 if -- the same way if you're selling an asset, you
13 expect the price to go down. If you're buying an
14 asset, chances are the price of the asset will go
15 up. But ...

16 BY MS. WAXMAN:

17 Q. Did Ripple ever tell you that it wanted
18 the price of -- that it wanted to use the purchases
19 to increase the price of XRP?

20 A. No.

21 Q. Did Ripple want the purchases to create
22 buying pressure?

23 MS. ZORNBERG: Object to form.

24 THE WITNESS: No.

25 / /

1 BY MS. WAXMAN:

2 Q. Did Ripple want the purchases to stabilize
3 XRP's price?

4 A. Again, I don't know what Ripple wanted.
5 I --

6 Q. Did you ever express any concerns to
7 Ripple about purchasing XRP in connection with this
8 agreement?

9 A. What do you mean by "concerns"?

10 Q. Did you ever tell them not to move forward
11 with purchases?

12 A. I don't think so.

13 Q. Did you ever recommend any alternative
14 action to address the increase in supply of XRP in
15 the market?

16 A. I don't -- I don't recall.

17 MS. WAXMAN: I only have two copies of
18 this document. I apologize.

19 MR. HANIN: Must be very special.

20 MS. WAXMAN: Can you mark this for me?

21 So it's Exhibit 66.

22 (Whereupon, Deposition Exhibit [REDACTED] 66
23 was marked for identification.)

24 MS. DEARBORN: Daphna, can you tell us the
25 Bates number?

1 MS. WAXMAN: RPLI_SEC 0533153 through
2 -161.

3 Q. Mr. Garlinghouse, these are screenshot --
4 Mr. [REDACTED] these are screenshots of messages from
5 Mr. Garlinghouse's cell phone?

6 MS. ZORNBERG: Hold on one second. Before
7 you start, can we get -- can we get it
8 electronically?

9 MR. TENREIRO: Yeah. Why don't we -- does
10 she have that electronically?

11 MS. WAXMAN: No.

12 MR. TENREIRO: Okay. Let me send it
13 around, and while I do that, do you want to move on
14 to something else?

15 MS. WAXMAN: Sure. Sure. We can just
16 hold on.

17 THE WITNESS: This isn't -- this was Brad
18 with somebody else, right?

19 MR. HANIN: Daphna, is this an exchange
20 involving [REDACTED]?

21 THE WITNESS: So no, he's not on the
22 email. He's not a -- it's not a communication with

23 [REDACTED]

24 MR. HANIN: Okay.

25 MR. TENREIRO: Let me get it so we can --

1 yeah. Let's move on to something else.

2 MS. ZORNBERG: Thank you.

3 MS. WAXMAN: We can just -- hold on.

4 Going back to Exhibit 53.

5 THE WITNESS: Yeah.

6 BY MS. WAXMAN:

7 Q. If you turn to the second page, section
8 2(b), in middle of the paragraph there's a sentence
9 that says:

10 "Customer represents and
11 warrants that it has received an
12 opinion from Singapore legal
13 counsel concluding that XRP is not
14 a 'security' as that term is
15 defined in Section 2(1) of the
16 Securities and Futures Act of
17 Singapore."

18 Did -- did GSR request the inclusion of
19 that in the agreement?

20 A. I don't know.

21 Q. Who was responsible for negotiating this
22 agreement with Ripple?

23 A. Do you mean the business terms or the --
24 the legal term -- like --

25 Q. Who would have negotiated the language in

1 this document?

2 MS. ZORNBERG: Object to form.

3 THE WITNESS: Counsel, internal or
4 external.

5 BY MS. WAXMAN:

6 Q. Would anyone at GSR know -- who at GSR
7 would know why that was included?

8 A. I would ask [REDACTED]

9 Q. And who is that?

10 A. [REDACTED] has been an internal legal resource at
11 GSR for a number of years now.

12 Q. Okay. Mr. [REDACTED] I want to show you what's
13 been previously marked as -- you can put that to the
14 side -- [REDACTED] 6.

15 (Whereupon, Deposition Exhibit [REDACTED] 6
16 was marked for identification.)

17 MS. WAXMAN: Give me one second. I'll
18 tell you the Bates.

19 Where is my copy? [REDACTED] 6 is an email with
20 the Bates GSR_294. It's an email from you dated
21 May 31st, 2016, to [REDACTED]@ripple.com.

22 BY MS. WAXMAN:

23 Q. Mr. [REDACTED] did you send this email?

24 A. I believe so.

25 Q. Now, the first sentence you've said, I've

1 compiled a few ideas regarding our conversation last
2 Friday on the impact of selling programs.

3 Are you talking about the impact of
4 selling programs on XRP price?

5 MS. ZORNBERG: Object to form.

6 THE WITNESS: I presume so, yes.

7 MS. WAXMAN: Okay. Thank you.

8 MR. TENREIRO: We should have Exhibit 66.
9 Everyone here should have it?

10 MS. WAXMAN: Okay.

11 MS. ZORNBERG: How so?

12 MR. TENREIRO: By email.

13 MS. ZORNBERG: I haven't received it.
14 Maybe someone can forward it to me?

15 MR. TENREIRO: Oh, I didn't send it to
16 you. Lisa, Meredith, Kristina, Sam and Jonah.

17 MS. ZORNBERG: Okay. Received.

18 MR. TENREIRO: Great.

19 BY MS. WAXMAN:

20 Q. Okay. Going back to Exhibit 66, you're
21 not a party to this exchange, but I do want to
22 direct you to the page with the Bates 533158. My
23 understanding is this is a reference to

24

25 Do you know who [REDACTED] is?

1 A. Yes.

2 Q. And who is [REDACTED]?

3 A. Ex-colleague, friend. I've known [REDACTED] for
4 20-odd years. He works with us at GSR.

5 Q. And what is his relationship to GSR?

6 A. [REDACTED] is the [REDACTED] in GSR from back in 2013,
7 because he introduced us to Ripple. [REDACTED] and I did
8 most of the work, but [REDACTED] made the introduction, so
9 we gave him an initial. When we wound down the
10 opcos in late '16, [REDACTED] stopped being part of GSR,
11 and then he joined years later.

12 [REDACTED] was still working at [REDACTED] and
13 worked at another hedge fund, so he wasn't involved
14 in the business like we were.

15 Q. In July 2020, what was [REDACTED] involvement
16 with GSR?

17 A. Full-time.

18 Q. And where did he work?

19 A. I think it was in Puerto Rico.

20 Q. And was he involved -- did he have any
21 responsibilities related to Ripple at the time?

22 A. Not really. I'm surprised to see his name
23 come up because typically I was the person
24 interacting with Ripple.

25 MR. HANIN: The name [REDACTED] came up. I

1 don't know --

2 THE WITNESS: I'm not a thousand percent
3 certain that this is the same [REDACTED] but yeah ...

4 BY MS. WAXMAN:

5 Q. Did you ever discuss with [REDACTED] the master
6 purchase agreement or purchasing XRP on behalf of
7 Ripple?

8 A. I don't recall, but we're business
9 partners. Probably.

10 Q. Did you ever discuss with [REDACTED] concerns
11 related to purchasing XRP on behalf of Ripple?

12 A. Again, I don't recall.

13 Q. The email says, [REDACTED] -- the text message
14 says:

15 [REDACTED] came back - and after
16 discussing with outside counsel,
17 they mentioned some reg concerns
18 given their SEC inquiry and
19 suggested we may want to explore
20 other ways to do this creatively
21 that is more in line with our
22 current contract - i.e., using
23 derivatives, so, for example, we
24 could sell them puts and then buy
25 XRP in the open market to cover

1 their short."

2 Did you ever discuss with [REDACTED] using
3 derivatives?

4 MS. ZORNBERG: Okay. I'm going to object.
5 Lack of foundation. You're showing the witness a
6 document that he's -- a communication he's not part
7 of, asking him to comment on words that don't even
8 purport to have been a summary of any communication
9 with him. And he's already said he's not even sure
10 if this is [REDACTED]

11 THE WITNESS: The short answer is no, I
12 didn't -- I don't remember having a conversation
13 with [REDACTED] about using derivatives.

14 BY MS. WAXMAN:

15 Q. Okay. Did you ever have a conversation
16 with [REDACTED] concerning the master purchase agreement?

17 A. I don't recall. It stands to reason I
18 would, because, again, a new contract needs to be
19 discussed, and -- at the management team level,
20 but ...

21 Q. I don't have any other questions related
22 to that document.

23 And did [REDACTED] have any involvement with the
24 purchasing of XRP on Ripple's behalf?

25 A. Not in any meaningful way. [REDACTED] is not --

1 the purchases were carried out programmatically.
2 They would have been done by the same quant trading
3 team and ops, and [REDACTED] is not part of that.

4 Q. Which platforms did GSR purchase XRP on in
5 connection with the agreement?

6 MS. ZORNBERG: Object to form.

7 THE WITNESS: I don't recall. It
8 doesn't -- it doesn't stipulate it here?

9 BY MS. WAXMAN:

10 Q. I don't believe so.

11 A. I don't recall.

12 Q. Did GSR sell -- purchase XRP on Binance
13 and OKEEx on behalf of Ripple?

14 A. It's entirely possible. I can't confirm.
15 You mean in the context of the buyback?

16 Q. Yes.

17 A. In all likelihood, yes, because Binance is
18 the largest crypto exchange. It's a natural place
19 for us to go execute the buyback, but I can't
20 confirm because I don't recall.

21 Q. And would you have recommended -- strike
22 that.

23 Would you have recommended that Ripple
24 purchase on OKEEx as well?

25 MS. ZORNBERG: Object to form.

1 THE WITNESS: It's possible. OKEEx also
2 has significant XRP trading volume.

3 BY MS. WAXMAN:

4 Q. What is the current status of the buyback
5 program?

6 A. As far as I know, it is -- we're not
7 executing any more XRP purchases, or we haven't in
8 quite some time.

9 Q. And when did you stop buying XRP on behalf
10 of Ripple?

11 A. I don't recall.

12 Q. And why did you stop?

13 MS. ZORNBERG: Objection.

14 THE WITNESS: They must have told us to
15 stop.

16 BY MS. WAXMAN:

17 Q. Was it -- at the time that they told you
18 to stop, was there additional supply entering the
19 market from ODL?

20 MS. ZORNBERG: Objection.

21 THE WITNESS: I don't -- I don't know and
22 the same way I didn't know at the beginning.

23 BY MS. WAXMAN:

24 Q. [REDACTED]
25 [REDACTED]

1 A. [REDACTED]

2 MS. DEARBORN: Objection.

3 BY MS. WAXMAN:

4 Q. [REDACTED]

5 MS. DEARBORN: You can answer. The
6 relevance of this is highly -- it's definitely in
7 dispute and I think this is highly invasive, so
8 let's just take this question and answer.

9 BY MS. WAXMAN:

10 Q. [REDACTED]

11 A. [REDACTED]

12 Q. [REDACTED]

13 A. [REDACTED]

14 [REDACTED]
15 Q. [REDACTED]

16 [REDACTED]
17 A. [REDACTED]

18 [REDACTED]
19 [REDACTED]
20 Q. [REDACTED]

21 [REDACTED]
22 MS. DEARBORN: Object to form.

23 THE WITNESS: [REDACTED]
24 [REDACTED]
25 [REDACTED]

1

2

3

4

5

MS. DEARBORN: Object to form.

6

THE WITNESS: During what time period?

7

BY MS. WAXMAN:

8

Q. During the entire time period.

9

A. During --

10

MS. DEARBORN: Same objection.

11

THE WITNESS: I -- there were times when

12

we had multiple Bots connected to Mr. Larsen and

13

there were times when we didn't.

14

BY MS. WAXMAN:

15

Q. And -- okay.

16

MS. WAXMAN: Exhibit 34, please.

17

(Whereupon, Deposition Exhibit [REDACTED] 34

18

was marked for identification.)

19

BY MS. WAXMAN:

20

Q. Mr. Larsen [sic], I'm showing you what's

21

been marked as [REDACTED] 34, which is an email exchange

22

from February 2017. It's an email exchange, email

23

thread between you and Mr. Larsen.

24

MR. HANIN: Is there a reason this

25

document has no Bates number?

1 MS. WAXMAN: It was -- the way it was
2 produced and printed, it doesn't have a Bates number
3 on this document, but ...

4 MS. DEARBORN: Objection. We did not
5 produce documents without Bates stamps, so ...

6 MS. WAXMAN: This was produced by GSR.

7 MR. HANIN: Generally our documents were
8 produced with Bates stamps. I'm not aware we
9 produced any document that didn't have a Bates
10 stamp, so I --

11 MS. WAXMAN: I think the way it was loaded
12 may have been a native. Strike that. We'll get you
13 a Bates stamp number.

14 MR. TENREIRO: Sounds like the
15 authenticity --

16 (Reporter clarification.)

17 MR. TENREIRO: It sounds like your
18 authenticity objections are preserved. Let's go on
19 and -- go on.

20 BY MS. WAXMAN:

21 Q. Okay. If you go to the second page on the
22 back, did Mr. Larsen direct you to -- to buy XRP on
23 February 18th, 2017?

24 A. You're referring to the last message where
25 Chris says:

1 "Hi [REDACTED] - on my Bot 4, could
2 you start buying as long as we're
3 below .006."

4 Q. Yes.

5 A. Yeah.

6 Q. Why did he direct you to start buying XRP?

7 MR. HANIN: Objection.

8 MS. DEARBORN: Objection to form.

9 THE WITNESS: Because he wanted to buy

10 XRP.

11 BY MS. WAXMAN:

12 Q. And did you have an understanding why he
13 wanted to buy XRP?

14 A. I'm afraid not.

15 Q. Did Mr. Larsen want to buy in order to
16 increase the price of XRP?

17 MR. HANIN: Objection.

18 MS. DEARBORN: Objection to form.

19 THE WITNESS: It's impossible for me to
20 know.

21 BY MS. WAXMAN:

22 Q. The next email right above says, you say:

23 "We would recommend pausing 6t
24 before reversing 4t, otherwise,
25 they will likely cancel each other

1 out."

2 And 4t is Mr. Larsen's bot?

3 A. Mh-hmm.

4 Q. And what is 6t?

5 A. 6t was a Rippleworks bot.

6 Q. And why did you recommend pausing 6t
7 before re -- before starting to buy in 4t?

8 A. I -- I don't recall. This was
9 four-and-a-half years ago. My guess is at this
10 moment in time, the price of XRP had dropped
11 considerably, and Mr. Larsen wanted to step in and
12 provide -- well, I don't know why. Either he's
13 buying back something he sold, he's stepping in to
14 provide support for the market. There are a number
15 of different reasons why Mr. Larsen might want to --
16 to buy it. But it seems counterintuitive to have
17 one bot selling and the other one buying at the same
18 time.

19 Q. And when you say he wanted to -- he's
20 stepping in to provide support for the market, are
21 you talking about support for XRP price?

22 MS. ZORNBERG: Objection.

23 MR. HANIN: Objection. Mischaracterizes
24 testimony. That's not what he said.

25 THE WITNESS: Mr. Larsen has significant

1 XRP holdings. He can choose to buy or sell
2 depending on his market --

3 BY MS. WAXMAN:

4 Q. I just want to understand what you meant
5 when you used the terms "provide support for the
6 market"?

7 A. I guess I -- I would see his involvement
8 in a similar capacity to ours in the sense that, in
9 a very illiquid market, when there seemed to be
10 dislocations, and supply/demand imbalances. I don't
11 know what happened on this particular day, but maybe
12 the price of XRP had dropped by 60 percent
13 overnight, and Mr. Larsen is stepping in to buy some
14 XRP because it's the right thing to do.

15 Q. So when you talk about providing support
16 for the market, you're talking about price support?

17 MS. ZORNBERG: Objection.

18 MS. DEARBORN: Objection to form.

19 THE WITNESS: Not so much price support,
20 but liquidity at a moment when it's needed.

21 MS. WAXMAN: Just for the record, this
22 document is GSR 1004, has a Bates 1004 and 1005.

23 Q. Going back to the document, did Mr. Larsen
24 take your recommendation to pause sales in 6t?

25 A. I have no recollection. But reading his

1 message at 1614, he says:

2 "Let's reverse Bot 6 as well."

3 Q. Did Mr. Larsen provide trade instructions
4 for Bot 6t at other times as well?

5 MS. DEARBORN: Object to form.

6 THE WITNESS: I don't recall. I don't
7 think so. I'm somewhat surprised to see this
8 exchange.

9 BY MS. WAXMAN:

10 Q. Why are you surprised to see the exchange?

11 A. Because we didn't receive directions from
12 Mr. Larsen that regularly, and 6t was Rippleworks
13 anyway.

14 Q. Who provided trade instructions for 6t?

15 A. Rippleworks.

16 Q. Who from Rippleworks?

17 A. [REDACTED]

18 Q. And would he provide those instructions in
19 writing?

20 A. Yes, I think so.

21 Q. And would he email those instructions
22 directly to you?

23 MR. HANIN: Objection.

24 THE WITNESS: It's entirely possible.

25 / /

1 BY MS. WAXMAN:

2 Q. Would those instructions be something that
3 are part of the record?

4 MS. ZORNBERG: Object to form.

5 MR. HANIN: Objection.

6 THE WITNESS: What do you mean?

7 BY MS. WAXMAN:

8 Q. Strike that.

9 Would you keep a record of instructions
10 that you got from Mr. [REDACTED] in connection with
11 trading in Bot 2?

12 MS. ZORNBERG: Object to form.

13 MR. HANIN: Objection.

14 THE WITNESS: Do we -- we have emails with
15 Mr. [REDACTED] Is that what you're asking?

16 BY MS. WAXMAN:

17 Q. Yes.

18 A. Yeah.

19 Q. You said -- I'm going back to something
20 you said earlier. You said Mr. Larsen would step in
21 to buy some XRP, quote, because it's the right thing
22 to do.

23 What did you mean by -- by that?

24 A. Well, from my point of view, if I had a
25 whole bunch of XRP, and I had sold some at higher

1 prices and the price collapsed, I might step in and
2 buy back some of that XRP I had sold. It's a normal
3 trading decision to make.

4 Q. How much XRP did Mr. Larsen own, if you
5 know?

6 A. I don't know.

7 Q. Did he own a considerable size of XRP?

8 MS. DEARBORN: Object to form.

9 THE WITNESS: I believe he did, but I --

10 BY MS. WAXMAN:

11 Q. Why would he want to increase his position
12 of XRP?

13 MS. DEARBORN: Object to form.

14 THE WITNESS: It's not necessarily because
15 he wants to increase his position of XRP. But he
16 might have a view on price also.

17 BY MS. WAXMAN:

18 Q. Going to the first page of the document --
19 you're already on -- that page of the document, did
20 Mr. Larsen authorize the use of funds from 6t to
21 purchase XRP in the market?

22 MS. DEARBORN: Object to form.

23 THE WITNESS: Not explicitly, but on his
24 message at 1614, he says:

25 "Let's reverse Bot 6 as well."

1 BY MS. WAXMAN:

2 Q. And then you write:

3 "Understood. We will utilize
4 4t's 40K first, and if XRP price is
5 still below .006, we will engage
6 6t."

7 He doesn't respond and then you confirm --
8 send another email and you write:

9 "We have exhausted 4T's funds
10 (42,000) and are now switching over
11 to 6t (approximately 100,000)."

12 MR. HANIN: Objection to the form. I'm
13 not sure there's a question and I'm not sure he
14 didn't respond, but ... It is the next email in the
15 chain but it's three days later.

16 BY MS. WAXMAN:

17 Q. So going back to my initial question, is
18 there any reason to believe that Mr. Larsen didn't
19 authorize the use of funds from 6t to purchase the
20 XRP?

21 MS. DEARBORN: Object to form.

22 THE WITNESS: Again, like I said, I don't
23 see him authorizing anything explicitly, but I do
24 see him directing us to reverse Bot 6.

25 / /

1 BY MS. WAXMAN:

2 Q. And -- but did you start -- okay. Did you
3 use funds from 6t to purchase XRP in the market?

4 A. I presume so, given what I wrote on the
5 first email of this thread.

6 Q. Would you have done that without seeking
7 permission from Mr. Larsen?

8 A. Well, I should have sought permission from
9 Mr. [REDACTED] I don't know if, over the course of the
10 three days between those two emails, that occurred,
11 a separate email or a phone call.

12 Q. The email that's at 4:39?

13 A. Yeah.

14 Q. 16 -- 1639, excuse me, you write:

15 Again, "We will utilize 4t's
16 40,000 first, and if XRP price is
17 still below .006 we will engage
18 6t."

19 Did Mr. Larsen want his buying -- strike
20 that.

21 Was Mr. Larsen trying to target a specific
22 XRP floor price?

23 MS. DEARBORN: Object to form.

24 THE WITNESS: Well, the last email on this
25 thread, on the 18th of February, he says that he

1 would like --

2 BY MS. WAXMAN:

3 Q. No. The first -- I believe that's the
4 first email.

5 MR. HANIN: Let him finish, Daphna.

6 THE WITNESS: Did I get it wrong? You
7 know what I mean. The email from the 18th of
8 February, Chris is saying that as long as the price
9 is below .006, he would like to be buying XRP.

10 MS. WAXMAN: Okay. Exhibit 37.

11 (Whereupon, Deposition Exhibit [REDACTED] 37
12 was marked for identification.)

13 BY MS. WAXMAN:

14 Q. Mr. [REDACTED] I'm showing you -- Mr. [REDACTED], I'm
15 showing you what's been marked as G -- [REDACTED] 37, which
16 is a document with the Bates GSR_796. It's an email
17 chain from December 2017 between you and
18 Chris Larsen.

19 MS. DEARBORN: Daphna, again, this
20 document doesn't appear to be produced with Bates
21 stamps.

22 MS. WAXMAN: I just read it in the record.
23 It's GSR_796.

24 MS. DEARBORN: Thank you.

25 / /

1 BY MS. WAXMAN:

2 Q. Did you send -- strike that.

3 Did you recommend in December 2017 that
4 Mr. Larsen tactically increase XRP sales?

5 A. Yes.

6 Q. And what did you mean by "tactically
7 increase sales"?

8 A. As I said in the email, the market seems
9 very frothy.

10 Q. What is --

11 A. Back in December of 2017, if I remember
12 correctly, it was -- we had that huge bull run in --
13 overall in crypto. I can see in the other message,
14 I reference Korea, this is the famous Kimchi premium
15 that occurred. There's a lot of retail lead buying
16 interest, particularly in South Korea. Most digital
17 assets increased in value, and I think just what it
18 says, let's take the opportunity that there's a lot
19 of liquidity and higher prices, to sell some XRP.

20 Q. When you said there was -- when you were
21 talking about the reference to Korea, you said
22 there's a lot of retail lead buying interest.

23 Are you talking about retail interest in
24 buying XRP?

25 A. I think there was -- crypto kind of

1 exploded in Korea. That's my understanding. I'm no
2 expert on South Korea, but most digital assets
3 experienced huge price appreciations. And those
4 price appreciations were even higher in Korea. So
5 what ended up happening is that when you normalized
6 for the exchange rate, you would see that crypto
7 prices in Korea are actually 10, 15 in some cases 20
8 or 30 percent higher than outside of Korea.

9 Q. Is that why you recommended that
10 Mr. Larsen increase sales?

11 A. That's one of the reasons, yeah.

12 Q. And would this be an opportunity for
13 Mr. Larsen to extract more USD from his sales?

14 A. Well, again, if you sell more XRP and the
15 price of XRP is higher, by definition, you will
16 collect more USD or whatever other unit of value.

17 Q. Did he accept the recommendation?

18 A. I don't recall.

19 Q. It says, "Let's try a constructive
20 increase," in the middle of the page.

21 What did you understand that to mean?

22 A. We would probably increase the -- the
23 sales percentage on the bot. But I don't recall
24 executing the change or how big it was. That's why
25 I said I don't recall.

1 Q. Okay. Were there other instances where
2 you recommended to Mr. Larsen that he tactically
3 increase sales?

4 MS. DEARBORN: Object to form.

5 THE WITNESS: In all likelihood, yes.

6 BY MS. WAXMAN:

7 Q. And when you made that recommendation, did
8 he agree to move forward?

9 MS. DEARBORN: Object to form.

10 THE WITNESS: I -- I don't recall.

11 BY MS. WAXMAN:

12 Q. Did Mr. Larsen often use the term
13 "constructive increase"?

14 A. Mr. Lars- --

15 MS. DEARBORN: Object to form. Sorry, I'm
16 trying to speak up from all the way over here.
17 Object to form.

18 THE WITNESS: Mr. Larsen used the term
19 "constructive" many -- several times in
20 conversations with me.

21 BY MS. WAXMAN:

22 Q. What did you understand that to mean?

23 A. Fair and orderly is one of them. The
24 other one is in the context of a selling program.
25 We're tasked with adding supply of something that

1 has very little liquidity. If we add supply too
2 quickly, it will become destructive because there
3 isn't enough liquidity to absorb all of the supply.
4 So to me, constructive means the opposite of that.
5 Don't be heavy-handed in the selling. Be measured
6 in the amount of supply that you're introducing into
7 the market.

8 Q. Would -- and would that -- you said it
9 will become destructive. Are you talking about
10 becoming destructive to the price?

11 A. It will -- exactly. It will -- if there's
12 very little liquidity and you increase the amount of
13 supply by a huge factor, that risk has to go
14 somewhere, and if there isn't enough liquidity,
15 eventually it will have a very detrimental impact on
16 the price of XRP.

17 Q. So when -- so Mr. Larsen wanted you to be
18 constructive in terms of XRP price?

19 MS. DEARBORN: Objection to form.

20 THE WITNESS: I think what's important --
21 what I internalize is that Mr. Larsen was looking
22 for my guidance or our guidance from being the
23 market experts to introduce a supply of XRP that is
24 commensurate with the liquidity available at the
25 time. Is that -- is that a word, "commensurate"?

1 MR. HANIN: Commensurate. Big word,
2 actually.

3 MS. WAXMAN: Your English is excellent.
4 Better than mine.

5 Exhibit 45, please. Oh, wait, Exhibit 54.

6 (Whereupon, Deposition Exhibit [REDACTED] 54
7 was marked for identification.)

8 MR. TENREIRO: For the record, this is
9 Bates Christian Larsen 2177.

10 BY MS. WAXMAN:

11 Q. Mr. [REDACTED], I'm showing you a text message --
12 a document that has -- I'm showing you
13 Exhibit [REDACTED] 54. It's a text message from you to
14 Mr. Larsen dated July 7th, 2020.

15 A. Mh-hmm.

16 MS. DEARBORN: And for this, as for all of
17 them, we're taking SEC's representation that this is
18 an authentic copy of the document that was produced.
19 Obviously, we can't check it out right now.

20 BY MS. WAXMAN:

21 Q. Mr. Larsen -- Mr. [REDACTED] can you read the
22 email to the -- into the record?

23 A. "Good morning, sir. Just to let you know
24 we were finally able to report your trade to the [REDACTED]
25 SDR last night (first ever so it took some time to

1 adjust their default parameters)."

2 Q. And what trade are you talking about in
3 the exhibit?

4 A. I think this refers to us purchasing some
5 covered calls from Mr. Larsen.

6 Q. And when did you begin to purchase covered
7 calls on behalf of Mr. Larsen?

8 A. I don't recall the exact date. I suspect
9 on or around the 7th of July date stamp that we
10 see in there.

11 Q. And are you currently purchasing covered
12 calls on behalf of Mr. Larsen?

13 A. No.

14 Q. And what is the [REDACTED] SDR?

15 A. The [REDACTED] is the [REDACTED]
16 [REDACTED]. The SDR, is it the swap depository
17 something -- I don't remember the exact -- this is
18 where -- again, I'm not expert in this, forgive me
19 if I say something really stupid, but my
20 understanding is that when we did these derivative
21 transactions, we were supposed to report them into
22 the [REDACTED] SDR.

23 Q. Did Mr. Larsen -- did you execute XRP
24 derivative transactions on behalf of Mr. Larsen?

25 MS. DEARBORN: Object to form.

1 THE WITNESS: No. This was -- we did a
2 derivative transaction with Mr. Larsen.

3 BY MS. WAXMAN:

4 Q. Okay. And were you reporting it -- the
5 trade on behalf of Mr. Larsen?

6 MS. DEARBORN: Object to form.

7 MR. HANIN: Objection.

8 THE WITNESS: I don't understand the
9 subtleties. I don't know if we were reporting it
10 for us or for him. I'm sorry.

11 BY MS. WAXMAN:

12 Q. And did anyone direct you -- did
13 Mr. Larsen direct you to report the trade?

14 MS. DEARBORN: Object to form.

15 THE WITNESS: I don't recall. I don't
16 know. I -- no, I don't know.

17 MS. WAXMAN: Exhibit 45, please.

18 (Whereupon, Deposition Exhibit [REDACTED] 45
19 was marked for identification.)

20 BY MS. WAXMAN:

21 Q. Mr. [REDACTED] I'm showing you what's been
22 marked as [REDACTED] 45, which is a document with the Bates
23 GSR_8741 through -8743. It's an email chain from
24 August 15th, 2019. The subject is "Re: Xrapid
25 market making"?

1 A. I wasn't having my best day.

2 Q. Why do you say that?

3 A. The tone of the email is not very
4 professional.

5 Q. What is the email about?

6 MR. HANIN: Have you read the whole chain?

7 THE WITNESS: Yeah. Yeah.

8 I'm commenting within the management team.

9 Well, [REDACTED] has sent us an email pointing out
10 certain things going on in the Bitso order book, and
11 I am discussing it with the management team at GSR.

12 BY MS. WAXMAN:

13 Q. Is this in connection with services -- is
14 this in connection with GSR's services related to
15 ODL?

16 A. Yes.

17 Q. Okay. And at the top of the page, you
18 write:

19 "XRP [sic] has been running
20 for all of two weeks."

21 A. XRapid --

22 Q. XRapid.

23 A. -- which is the old name for ODL.

24 Q. And does this document refresh your memory
25 as to when you started to provide these services?

1 A. I can infer now that we probably started
2 in August of 2019, right?

3 Q. Is that a reference to when you started to
4 support ODL? Or xRapid?

5 A. Well, it seems like we -- I talk here
6 about the fact that we don't have a signed contract
7 in place. So these orders that [REDACTED] is
8 referencing, technically I don't know if it
9 constitutes us servicing a contract if there's no
10 contract in place. We might have just -- it would
11 have been testing or, you know, testing the pipes
12 before we actually start providing the service.

13 Q. Okay. But going to the email from [REDACTED]
14 on the bottom, the second paragraph says:

15 "Given our call yesterday, we
16 wanted to reemphasize the
17 importance of fostering a market
18 environment where destination
19 xRapid XRP markets build up natural
20 liquidity over time. If these
21 markets are unable to build up
22 actual liquidity over time, the
23 xRapid product [sic] will not be
24 something that Ripple will be able
25 to sustain."

1 Did you --

2 MS. ZORNBERG: Just for the record, you
3 misread "project" as product in the last line.

4 MS. WAXMAN: Apologies.

5 Q. "If these markets are unable to build up
6 natural liquidity over time, the xRapid project will
7 not be something that Ripple will be able to
8 sustain."

9 Did you ever discuss with Ripple why
10 building natural liquidity was so important?

11 A. Yes.

12 Q. And what did you discuss?

13 A. It's along the lines of what [REDACTED] is
14 referring to here. My understanding was that as
15 crypto markets continued to pop up and grow and
16 develop and they have more market participants
17 within them, they have more organic liquidity. And
18 so the need for GSR to step in as a -- call it like
19 a back stop liquidity provider for -- for when these
20 payments are going through will reduce over time.

21 The organic participants in the Mexican
22 Bitso, for example, or Coins.ph in the Philippines,
23 they themselves will perform our role.

24 Q. So the natural liquidity would come from
25 retail purchasers on the exchanges?

1 A. Any market participant on the exchange who
2 may be purchasing or selling for any number of
3 different reasons, yeah.

4 Q. Was it costly for Ripple to pay GSR to
5 provide liquidity for ODL?

6 MS. ZORNBERG: Objection.

7 THE WITNESS: How would you define
8 "costly"? Like --

9 BY MS. WAXMAN:

10 Q. Did Ripple ever tell you that it was
11 getting very expensive for them to pay GSR to
12 support ODL?

13 MS. ZORNBERG: Objection.

14 THE WITNESS: I don't recall them using
15 those words, no.

16 BY MS. WAXMAN:

17 Q. Did -- did Ripple ever try to reduce the
18 amount it paid GSR for ODL services?

19 A. Yes.

20 Q. Okay. And did they tell you why they
21 wanted to do that?

22 A. No. But -- no.

23 Q. At the time of this email, were you
24 providing liquidity support in a particular
25 corridor, ODL corridor?

1 A. Well, the email references the Bitso order
2 book, so that would have been the Mexican peso. But
3 as I said earlier, sounds like we didn't have a
4 contract in place, so technically, I don't think we
5 were delivering a service; probably call this the
6 testing period that occurs before we do anything.

7 Q. Going to your email at the top, the last
8 paragraph, you say:

9 "Making the changes they asked
10 for probably won't make any
11 difference to the development of
12 natural liquidity at Bitso."

13 What changes were they asking you to make?

14 A. They were ask -- they -- I think they
15 believed that our -- we were putting up large bits
16 very close to fair value, and they were asking us to
17 back off so that there would be room for other
18 market participants to get in front of us.

19 Q. And did you think that would create
20 natural liquidity?

21 A. I'm not the proudest of what I wrote on
22 that last paragraph. What [REDACTED] is saying is true.
23 If -- let me illustrate it this way: If there's
24 only one tick between bid and offer, right, there's
25 no way anybody can get in the inside, right? So

1 there's no way any organic liquidity or anybody else
2 is going to step inside and facilitate that payment.
3 And what he's asking us, he's saying you guys are
4 too close to the offer, you need to back off so that
5 other guys can step in. It make -- what he said
6 made sense. Like I said, I don't think I was having
7 my best day.

8 Q. I understand that you -- the
9 clarification, but your response was:

10 "If they really want liquidity
11 to improve, they should work with
12 Bitso to get more people trading on
13 the platform"?

14 A. But that goes along with what I was
15 saying, right, that you need more people to get in
16 between best bid, best offer. One way of doing that
17 is getting more people to trade on the platform.

18 Q. And when you say more people, you're
19 talking about retail purchases of XRP?

20 MR. HANIN: Objection. Asked and
21 answered.

22 THE WITNESS: It doesn't matter. It
23 doesn't matter whether they're retail, pro tail
24 [sic], professional, institutional. You just need
25 more participants.

1 BY MS. WAXMAN:

2 Q. More investors in XRP?

3 MR. HANIN: Objection.

4 MS. ZORNBERG: Objection.

5 THE WITNESS: I don't think it matters
6 whether they're investors, speculators. More
7 participants.

8 MS. WAXMAN: Exhibit -- Exhibit 64,
9 please.

10 (Whereupon, Deposition Exhibit [REDACTED] 64
11 was marked for identification.)

12 BY MS. WAXMAN:

13 Q. Mr. [REDACTED] I'm showing you what's been
14 marked as -- it says [REDACTED] 64 but it should be [REDACTED] 64, and
15 it has the Bates RPLI_SEC 59885 through -59889.
16 Take a moment to look at it and let me know when
17 you're done.

18 At the bottom of the email on page 1, you
19 say:

20 "I'm still bearish."

21 Are you talking about being bearish on
22 XRP?

23 A. I -- I don't recall, but I think it was a
24 more general statement, crypto in general.

25 Q. Okay. Setting aside the document, were

1 you bearish on XRP at this time?

2 MR. HANIN: Objection.

3 THE WITNESS: I have no way to remember.

4 I don't know.

5 BY MS. WAXMAN:

6 Q. At the top of the email -- you say:

7 "I'm still bearish."

8 And [REDACTED] asked:

9 "Any reason why you were still

10 bearish?"

11 First of all, just for the record, what

12 does it mean to be bearish?

13 A. I think prices are going to go down.

14 Q. So you're not confident in the success of
15 the asset?

16 MS. ZORNBERG: Object to form.

17 THE WITNESS: I think it's more likely
18 that the price of the asset in dollar terms is going
19 to go down rather than up.

20 BY MS. WAXMAN:

21 Q. Okay. And so [REDACTED] asked, "Why are you
22 bearish?" And then you write:

23 "Pervasive wash trading, lack
24 of adoption, turning 40 this year,
25 quitting smoking and drinking, et

1 cetera."

2 Are you talking about XRP?

3 A. No. And that's why when you asked me the
4 question before, I said I think it's a more general
5 statement, because when I say "pervasive wash
6 trading, lack of adoption," I'm referring to the
7 overall market. I'm not talking just about XRP.

8 And, in fact, when you go to the next
9 sentence, you can see:

10 "No idea where the floor might
11 be. The only thing I'm really
12 excited about holding is XRP right
13 now."

14 So I'm actually making a statement that I
15 think the overall market is going to drop, but XRP
16 doesn't look as bad as the overall market.

17 Q. And why were you -- why did you have that
18 belief that XRP didn't look as bad as the overall
19 market?

20 A. I don't remember what I was thinking four
21 years ago, but -- three years ago, but I see I
22 wrote:

23 "Because I expect the [REDACTED] deal
24 to result in more sustainable
25 buying, especially while they don't

1 have permission to offer BTC or
2 BCH."

3 Q. And why would the [REDACTED] deal -- why did you
4 expect the [REDACTED] deal to result in sustainable buying?

5 A. If I remember correctly, [REDACTED] was launching
6 their own virtual currency exchange, [REDACTED] BC, and the
7 only crypto that they were going to offer to their
8 clients at the time was XRP. So the only
9 transactions that could occur from that would be
10 people coming to buy XRP.

11 Q. And the [REDACTED] deal, that was a deal between
12 Ripple and [REDACTED]?

13 A. I think by [REDACTED] deal, I mean, [REDACTED] launching
14 their virtual currency exchange. GSR was retained
15 by [REDACTED] years ago when they launched the virtual
16 currency exchange, and we were liquidity providers
17 for a certain period of time.

18 Q. And did [REDACTED] enter into an agreement with
19 Ripple to purchase XRP?

20 A. I don't know.

21 Q. Did you ever sell XRP on behalf of [REDACTED]?

22 A. I don't think so.

23 MS. WAXMAN: Exhibit 60, please.

24 (Whereupon, Deposition Exhibit [REDACTED] 60
25 was marked for identification.)

1 BY MS. WAXMAN:

2 Q. So this is very hard to read. I
3 apologize. This is how it was produced to us. I'm
4 showing you what's been marked [REDACTED] 60, which has the
5 Bates GSR -25392.

6 And is 42t in connection with a specific
7 individual, trading in 42t?

8 A. Yes.

9 Q. And -- and whose XRP do you sell through
10 42t?

11 A. I believe it's Brad Garlinghouse.

12 Q. And during 2020, did Mr. Garlinghouse sell
13 during the period from January until August?

14 A. I think so. No. I'm sorry. You're --
15 when I look at the middle of the page, I see a
16 year-to-date. And it seems like the only -- the
17 first XRP sales start in August, and there was zero
18 in January and there's nothing in between, so I
19 assume that means that there were zero from January
20 until August.

21 Q. And just taking a step back, do you
22 recognize what's been marked as [REDACTED] 60?

23 A. What this actually is?

24 Q. Yeah.

25 A. Yeah. This is, I think, the daily emails,

1 or maybe this was a monthly one because it says
2 Month To Date, this we would send out to the clients
3 so they see the progress of the liquidation program.

4 Q. Did GSR send daily trade reports for every
5 trade bot?

6 A. I don't know that we did it for all the
7 clients.

8 Q. Did you send Mr. Garlinghouse a daily
9 trade report for his trades?

10 A. I don't remember.

11 Q. Did you send Mr. Larsen a daily trade
12 report?

13 A. Again, I don't remember. And it's
14 possible that we did at some moment in and time then
15 we didn't.

16 Q. If you didn't send it daily, how often
17 would you send information regarding their trading?

18 MR. HANIN: Objection.

19 If you know.

20 THE WITNESS: I think -- I know there were
21 dailies, there were monthlies. I don't think there
22 were weeklies.

23 BY MS. WAXMAN:

24 Q. I think I have a daily.

25 Did Mr. Garlinghouse tell you to stop

1 selling XRP in --

2 A. I don't --

3 Q. -- in 2020?

4 A. I don't recall. If anything, it looks
5 like he told us to start selling XRP in 2020.

6 Q. And when did he tell you to start selling
7 XRP in 2020?

8 A. I don't know, but I can see from the
9 report that in August we sold some XRP on behalf of
10 Mr. Garlinghouse.

11 Q. Did you have any understanding as to why
12 Mr. Garlinghouse didn't execute any trades in the
13 period between January and August 2020?

14 MR. LEVANDER: Object to form.

15 THE WITNESS: I don't recall.

16 MS. WAXMAN: Exhibit 49, please.

17 (Whereupon, Deposition Exhibit [REDACTED] 49
18 was marked for identification.)

19 MR. HANIN: Daphna, before you get to this
20 document or your next question, it's 2:45. So to
21 the extent you want to reserve 15 or however much.

22 MR. TENREIRO: She's going to reserve ten.

23 MS. WAXMAN: I'm just going to ask about
24 this document. Then we'll stop.

25 MR. HANIN: Perfect.

1 Q. Mr. [REDACTED], I'm showing you what's been
2 marked as [REDACTED] 49, which is a document with the Bates
3 RPLI_SEC 0582440. Again, I -- it's very hard to
4 read, and I apologize. It was produced to us this
5 way.

6 MR. HANIN: Not intentionally.

7 MS. WAXMAN: It wasn't produced by you.

8 MR. HANIN: And not by us. Yes, there you
9 go.

10 THE WITNESS: You can read this one.

11 MR. HANIN: The last one was.

12 BY MS. WAXMAN:

13 Q. Is this the daily report --

14 A. This looks like the daily, yes.

15 Q. -- that GSR would send to individual
16 clients?

17 A. Yes.

18 Q. And is this a copy of the daily report for
19 trading in Mr. Garlinghouse's Bot 42t --

20 A. I believe so.

21 Q. -- between October 20th, 2019 and
22 October 21st, 2019?

23 A. Yes.

24 Q. And on the left-hand side, there's a
25 column titled "Exchange." Are these the list of

1 exchanges that GSR sold XRP on on behalf of
2 Mr. Larsen in --

3 A. Mr. Garlinghouse.

4 Q. -- Mr. Garlinghouse --

5 A. Yes.

6 Q. -- in October 2019?

7 A. Yes. Yes.

8 Q. And it looks like for Bittrex and
9 Coinbase, certain payers have zero volume, and also
10 for Poloniex and Upbit, certain payers have zero
11 volume.

12 Is there any reason why GSR didn't execute
13 sales on those platforms and those payers at this
14 time?

15 A. I don't remember why we would have traded
16 some crosses but not others within the same
17 exchange. It's strange.

18 Q. Did Mr. Garlinghouse ever direct you to
19 sell XRP on certain platforms?

20 A. I don't recall any specifics, but I don't
21 think Mr. Garlinghouse ever told us not to sell in
22 any particular cross on some exchange, no.

23 Q. Did Mr. Garlinghouse ever tell you not to
24 sell XRP on platforms that cater to U.S. users?

25 A. I don't recall.

1 Q. Was the XRP.USD cross available in
2 platforms outside the United States?

3 A. When? You mean on October 20th?

4 Q. Sure. Well, on October 20, 2019.

5 A. Yeah. I mean, you can see **Binance** had
6 a -- well, **Binance** had a tether cross, USDT.
7 **Bitfinex** had a USD cross, right? **Bitstamp** XRP.USD.
8 **Houbi**, USD. **OKE** and **Polo** used tether. Yeah.
9 There are multiple.

10 Q. Are you currently selling XRP on behalf of
11 Mr. Garlinghouse?

12 A. No.

13 Q. And when did you stop selling XRP on
14 behalf of Mr. Garlinghouse?

15 A. I don't remember when we stopped selling
16 XRP on behalf of Mr. Garlinghouse, but as I
17 mentioned earlier, within a few days of the SEC's
18 lawsuit, we ensured that we weren't trading XRP on
19 behalf of Americans or exchanges that catered to
20 Americans.

21 Q. So after the SEC lawsuit, did you stop
22 selling XRP on behalf of Mr. Larsen?

23 MS. ZORNBERG: Object to form.

24 THE WITNESS: I can't remember if we were
25 still selling XRP on behalf of Mr. Larsen. But

1 if -- but if we were, we would have stopped then.

2 BY MS. WAXMAN:

3 Q. Are you currently selling XRP on behalf of
4 Mr. Larsen?

5 A. No.

6 Q. So your understanding is after the SEC
7 lawsuit, you stopped selling on behalf of any U.S.
8 clients and stopped selling XRP to any U.S.
9 purchasers?

10 A. And trading XRP on exchanges that catered
11 to U.S. entities or humans.

12 Q. And why did you do that?

13 A. Because it didn't feel like it was the
14 right thing to do. We are -- as I mentioned hours
15 ago, our intention is to bring GSR onshore and be
16 regulated by the regulators in the U.S. So going
17 against the SEC seemed like not the best way to go
18 about doing that.

19 Q. And how would continuing to sell XRP be
20 going against the SEC?

21 MS. ZORNBERG: Objection.

22 THE WITNESS: I don't know how to answer
23 that question. But the SEC made it very clear on
24 December 20, whatever it was, that they thought XRP
25 was a security, and that is a clear statement. And

1 if that is the case, then GSR has no business doing
2 these transactions until we are a registered entity
3 in the U.S.

4 MS. WAXMAN: So it's 2:50 now. I'm going
5 to reserve ten minutes after Ms. Zornberg or
6 individuals' counsels ask questions. Thank you.

7 MS. ZORNBERG: Shall we take a break?

8 MR. HANIN: Yes. Let's take a --

9 MS. ZORNBERG: Ten-minute break --

10 MR. HANIN: Ten minutes is perfect.

11 MS. ZORNBERG: And start at 3:00.

12 THE VIDEOGRAPHER: We're going off the
13 record at 2:50 p.m.

14 (Whereupon, a recess was taken.)

15 THE VIDEOGRAPHER: We're going back on the
16 record at 3:03 p.m.

17 EXAMINATION BY MS. ZORNBERG

18 BY MS. ZORNBERG:

19 Q. Mr. [REDACTED] good afternoon. I'm
20 Lisa Zornberg. I represent Ripple Labs, and I have
21 some questions for you. Thank you for your
22 endurance today.

23 First, you were asked some questions by
24 the SEC about the original market making agreement
25 between Ripple Labs and GSR. I'd like to show you

1 what's marked as Exhibit 100.

2 (Whereupon, Deposition Exhibit [REDACTED]-100
3 was marked for identification.)

4 MS. ZORNBERG: For the record, it's a
5 document called "Market Making Agreement" entered
6 into as of the 31st of March, 2014, between Ripple
7 Markets, Inc. and GSR, [REDACTED].

8 Q. Do you see that?

9 A. Yes.

10 Q. And I'll just point out that it -- the --
11 at the end, it looks like it's signed on behalf of
12 GSR (Market Maker) by [REDACTED] director.

13 Do you see that?

14 A. Yes.

15 Q. Okay. Is this the initial market making
16 contract that you were referring to in your
17 testimony earlier today between GSR and Ripple?

18 A. I think so, yes.

19 Q. Let me direct your attention on the first
20 page of the document to the section at the top
21 called "Recitals." And there are two recitals.
22 Recital A says that:

23 "Company," which is -- which
24 is Ripple -- "desires to promote
25 liquidity of fiat and

1 cryptocurrencies within the Ripple
2 Network (defined below) by engaging
3 market maker to quote binding bid
4 and offer prices for virtual units
5 of value (defined below) within the
6 Ripple Network."

7 Do you see that?

8 A. Yes.

9 Q. Do you know -- and -- what -- well, let's
10 just take a look for a moment at the definition for
11 Ripple Network, which is on page 2. And it's
12 defined as:

13 "The decentralized, open
14 source, global payment network
15 operating on the Ripple protocol."

16 What was your understanding of what the
17 Ripple Network was? And I guess just --

18 A. To --

19 Q. Go ahead, please.

20 A. Let me start by saying that I'm just a
21 retired oil trader, so I'm not exactly a world
22 eminence in cryptography. But to me, the Ripple
23 Network and the Ripple Consensus Ledger are
24 interchangeable.

25 Q. Okay. So -- and was the Ripple Consensus

1 Ledger would also -- later became called the XRP
2 Ledger?

3 A. I guess so. I just haven't -- I don't
4 remember hearing that term as often, but yeah.

5 Q. Okay. If I refer to it collect -- you
6 know, just as the Ledger, will you understand what
7 I'm referring to?

8 A. Yes, I think so.

9 Q. Okay. So back in 2014, around the time of
10 this agreement, did you view the Ledger as
11 innovative?

12 A. Yes.

13 Q. In what ways?

14 A. I had never come across something like the
15 Ledger. I remember showing my financial advisor how
16 it worked and creating a wallet and sending XRP and
17 everybody's look of amazement. It was the first
18 time I had come across something like that.

19 Q. And were you -- was the -- was the
20 Ledger -- did the Ledger contain a decentralized
21 exchange within it, if you know?

22 A. The Ledger allowed -- so when we access
23 the Ledger, we were able to send, receive and
24 exchange different units of value.

25 Q. Include --

1 A. So in order to -- so you're exchanging
2 unit of value. So from that point of view, yes, I
3 guess it is an exchange.

4 Q. And you testified earlier, I believe, that
5 when you were -- when GSR was retained to provide
6 market making services on the Ledger, it was for
7 different crosses, some including XRP and some not?

8 A. That's correct.

9 Q. Okay. And is that consistent with the
10 recital that we looked at on page 1 that says that
11 the company desires to promote liquidity of fiat and
12 cryptocurrencies?

13 A. I think it's the same thing, right? Fiat
14 would have been dollar, euro, I think there was GBP,
15 there was yen, CNY. And then virtual
16 cryptocurrencies, there was XRP and Bitcoin. And so
17 any combination of those different crosses, right?

18 Q. Yeah.

19 Are you aware -- you testified earlier
20 that the Ledger was public?

21 A. Yes.

22 Q. Was it open source?

23 A. I believe it was.

24 Q. Are you aware that it was launched before
25 Ripple Labs was formed as a company?

1 A. I don't recall. I don't think -- I'm not
2 sure if I was aware.

3 Q. Okay. From it's -- from the time you
4 started working with the Ledger, was it capable of
5 facilitating cross-border payments?

6 MS. WAXMAN: Objection.

7 THE WITNESS: I wouldn't say payments, but
8 it would allow you to exchange euros for yen, for
9 example, so you could exchange different fiats.

10 BY MS. ZORNBERG:

11 Q. Okay. Mr. [REDACTED] you testified earlier that
12 your greatest amount of contact with Ripple over the
13 years has been with the markets team.

14 Do you recall that?

15 A. Yes.

16 Q. To what extent, if any, have you had
17 contact with Ripple's product team?

18 A. Very, very little.

19 Q. Okay.

20 A. Can you remind me who is on the products
21 team?

22 Q. I don't -- well, to what extent, if any,
23 did you have communications Asheesh Birla, for
24 example?

25 A. I -- I think I've met Asheesh in person

1 for all of three minutes in a -- waiting for an
2 elevator.

3 Q. Okay. You know that Ripple is a software
4 company, right?

5 A. Yes.

6 Q. Would it be fair to say that you were not
7 kept apprised of all of the efforts by Ripple's
8 products team to develop software?

9 MS. WAXMAN: Objection.

10 THE WITNESS: No. I mean ...

11 BY MS. ZORNBERG:

12 Q. Okay.

13 A. I mean, would it be fair, yes, I think
14 that's a fair thing to say.

15 Q. So you -- do you know what product Ripple
16 was developing in 2013?

17 MS. WAXMAN: Objection.

18 THE WITNESS: I -- I don't recall, but I
19 can't imagine I would have.

20 BY MS. ZORNBERG:

21 Q. Okay. Now, when the SEC questioned you
22 earlier without showing you this document, [REDACTED] 100, I
23 think you gave your best guess that you started
24 making markets under a contract with Ripple in
25 fourth quarter of 2013.

1 This agreement is dated as of March 31st,
2 2014. So just, what is your best recollection,
3 seeing the agreement, as to when GSR first began
4 making markets --

5 MS. WAXMAN: Objection.

6 BY MS. ZORNBERG:

7 Q. -- under contract?

8 MS. WAXMAN: Objection.

9 THE WITNESS: I think I said that we
10 started either Q4 of '13 or Q1 of '14. In my mind,
11 I have this November of 2013 date. That might have
12 been when we submitted our business plan or our
13 business proposal to Ripple. And, obviously, it
14 seems like we didn't sign any agreement until the
15 31st of March of 2014. I don't think there was
16 anything before this.

17 BY MS. ZORNBERG:

18 Q. Okay. All right. You can put that aside.

19 Can I have tab 5, the next one?

20 I'm showing you, Mr. [REDACTED] Exhibit 101.

21 (Whereupon, Deposition Exhibit [REDACTED] 101
22 was marked for identification.)

23 BY MS. ZORNBERG:

24 Q. Okay. For the record, Exhibit 101 is
25 entitled "GSR Memorandum of Understanding," and it

1 looks to be an MOU made on December 1, 2018, as the
2 effective date.

3 Do you recognize this document, Mr. [REDACTED]?

4 A. Yes.

5 Q. Okay. It appears that your signature is
6 on the second page.

7 Did you sign it, electronically or
8 otherwise?

9 A. That looks like me trying to replicate my
10 signature on DocuSign, yes.

11 Q. All right. Is this the MOU that
12 governed -- through which Ripple contracted GSR to
13 provide liquidity services for the testing of the
14 xRapid product?

15 MS. WAXMAN: Objection.

16 THE WITNESS: I believe that's exactly
17 what it is. It's just an MOU.

18 BY MS. ZORNBERG:

19 Q. Yeah. And I'll direct your attention to
20 the whereas clauses. The first one says:

21 "Whereas, GSR is in the
22 business of providing liquidity and
23 programmatic trading services to
24 blockchain companies and token
25 issuers. Whereas, Ripple has

1 launched a new product named xRapid
2 and is seeking the services of GSR
3 to provide liquidity during the
4 testing period of the product."

5 Do you see that?

6 A. Mh-hmm.

7 Q. Did GSR, in fact, provide liquidity
8 services for the xRapid product during the test
9 period?

10 A. I believe so.

11 Q. Okay. What is your understanding of the
12 OD -- what the ODL product intended to accomplish?
13 And I'm going to refer to it as ODL. As you
14 previously said, xRapid later became ODL.

15 But do you have an understanding of what
16 the purpose of the product was?

17 A. Yes.

18 Q. What was your -- what's your
19 understanding?

20 A. My understanding is that ODL is supposed
21 to significantly reduce the time and cost involved
22 in sending FX payments, overseas or from overseas to
23 onshore. I mean, it doesn't matter.

24 Q. Okay. Did you -- do you have a view as to
25 whether the ODL product, when it first came into

1 being, had an innovative value to it?

2 MS. WAXMAN: Objection.

3 THE WITNESS: I think when ODL came about,
4 and even today, it facilitated the movement, small
5 amounts of fiat from one currency to another. And
6 that is something that, today, you simply cannot do
7 using the normal banking system. So it was
8 innovative then, and in some ways, it still is
9 today.

10 BY MS. ZORNBERG:

11 Q. Why is liquidity in XRP important to the
12 functioning of the ODL product?

13 MS. WAXMAN: Objection.

14 THE WITNESS: In order for the protocol to
15 work, there needs to be -- if you're sending money
16 from A to B, at A, you buy XRP with the originating
17 currency. You can then send the XRP to the
18 destination exchange and sell it for the destination
19 local currency.

20 BY MS. ZORNBERG:

21 Q. That's a very well-hydrated example.

22 A. But -- so this movement of XRP is -- takes
23 a very short period of time. You want the price of
24 XRP here in dollars to be as close as possible to
25 the price of XRP here in pesos so that the resulting

1 effected transaction is as close as possible to the
2 fair value of the dollar max cross.

3 If the bid offer spread on the origination
4 exchange were ten percent wide, when you -- the
5 payment provider purchased the XRP in the
6 origination exchange, they would already be
7 ostensibly 5 percent underwater. Likewise, if then
8 they send the XRP over here and they sell it for
9 pesos and the best bid is 5 percent below fair
10 value, they could have locked in an FX transaction
11 that was 10 percent off market.

12 So you want both markets to be as tight as
13 possible. And not just tight, but they need to have
14 sufficient depth, because if this order is too big,
15 maybe the first offer is very close to fair value,
16 but if there are no more offers until 5 percent
17 higher, when you come in to buy the XRP over here,
18 you're going to end up buying the XRP very
19 expensive.

20 Similarly, when you come over here and you
21 try and sell it, you need there to be enough bids,
22 otherwise you're going to work your way all the way
23 down the order book and, again, you're going to be
24 ten percent off market.

25 Q. So liquidity mattered to ODL?

1 A. Absolutely.

2 Q. And a sign of liquidity is a tight spread
3 between bid and ask?

4 A. That's the first one. But having a take
5 wide bid offer for no size doesn't help either,
6 unless you're trying to send pennies at a time,
7 which is not the case.

8 Q. Okay. Were GSR's market making services
9 for the ODL product provided for certain corridors
10 where Ripple was first testing and then providing
11 ODL services?

12 A. I believe so.

13 MS. WAXMAN: Object.

14 BY MS. ZORNBERG:

15 Q. And which corridors were those?

16 A. Mexican peso at Bitso, Philippine pesos at
17 Coins.ph/Pro, AU -- Australian dollars at BTC
18 markets.

19 Q. Okay. So in other words, was Ripple
20 looking to contract GSR to provide liquidity where
21 it was most useful to its product?

22 MS. WAXMAN: Objection.

23 THE WITNESS: I presume so, yes. I mean,
24 we weren't -- the ODL contract only covered these
25 exchanges, which my understanding is we're servicing

1 these rails that the payment providers were using.

2 BY MS. ZORNBERG:

3 Q. And was the amount of liquidity -- let me
4 rephrase.

5 For GSR, in providing liquidity for the
6 ODL product, was the amount of liquidity needed
7 variable or static?

8 A. By "amount of liquidity," do you mean the
9 size of the -- the depth that we were providing on
10 any particular order book?

11 Q. Yes.

12 A. It -- I mean, it varied.

13 Q. Okay. Did it -- and did it vary based on
14 particular -- for particular reasons?

15 A. When we -- when we provide liquidity on
16 any given exchange, we're placing bids or offers, we
17 don't know when an order resulting from ODL is going
18 to interact with us. And we don't know sometimes
19 when other market participants in any given exchange
20 might choose to interact with us.

21 You know, there -- there are even worse
22 cases where maybe our price oracles aren't perfectly
23 synced and people take advantage of the fact that
24 we're being slow in the exchange and they arb us
25 out. It doesn't happen often, but it can happen.

1 Q. So would the amount of liquidity needed
2 from GSR depend in part on the amount of
3 transactions customers wanted to put through ODL?

4 MS. WAXMAN: Objection.

5 THE WITNESS: I can see how there would be
6 a correlation between the size of the flows that
7 were coming from ODL and the amount of liquidity we
8 would have to, quote, unquote, guarantee on these
9 exchanges.

10 BY MS. ZORNBERG:

11 Q. Since 2018, have -- have certain -- has
12 liquidity in any of these corridors that you
13 mentioned grown?

14 A. The -- the organic liquidity at these
15 exchanges has improved since we started.

16 Q. Can you -- can you flesh that out and
17 describe what you've observed?

18 A. I think -- you can see it in the data. In
19 general, most of these -- well, these exchanges that
20 we're referring to, Bitso, Coins.ph, BTC markets, in
21 the last two-and-a-half years have grown in terms of
22 their trading volume. I don't have access to their
23 user data, but I suspect part of it comes from the
24 fact that they have more users. They also offer
25 more products. You know, like so many other things

1 in the space that are in flux and growing.

2 Q. How has the organic growth of those
3 corridors affected the need for GSR services?

4 MS. WAXMAN: Objection.

5 THE WITNESS: I think that as organic
6 liquidity develops, the need for GSR to be providing
7 the liquidity necessary to ensure, affects
8 transactions at a fair market rate, that need
9 decreases. And, in fact, I think we've seen it in
10 our data. We -- we need -- Ripple keeps track of
11 our hit ratio, meaning we tell Ripple how much we
12 traded on this corridor, but then Ripple tells us,
13 well, X percent matched ODL.

14 That X percent over time has been
15 decreasing, I suspect because organic liquidity has
16 been developing in these markets.

17 BY MS. ZORNBERG:

18 Q. Okay. Other than Ripple Labs, for
19 approximately how many other clients in the digital
20 asset space has GSR provided liquidity services?

21 A. Over [REDACTED].

22 MS. WAXMAN: Is there a time period for
23 that?

24 THE WITNESS: I understood it since 2013,
25 but ...

1 MS. ZORNBERG: That's fine.

2 Q. All right. You've been asked some
3 questions -- turning now to another subject. You
4 were asked some questions by the SEC about the GSR's
5 services in providing programmatic selling of XRP on
6 Ripple's behalf.

7 MS. ZORNBERG: Let me -- can I have
8 Exhibit 103?

9 (Whereupon, Deposition Exhibit [REDACTED] 103
10 was marked for identification.)

11 BY MS. ZORNBERG:

12 Q. Okay. I'm showing you this document.

13 MS. ZORNBERG: Do you have other copies of
14 it? Okay. There you go.

15 Q. After you've had a moment to look at it,
16 please tell me if you recognize it.

17 A. I remember it, yeah.

18 Q. So what is this document, Mr. [REDACTED]
19 Exhibit 103, which, just for the record, has a GSR
20 logo on the front page, a [REDACTED]
21 [REDACTED] logo on the front page as well?

22 MS. WAXMAN: Objection.

23 THE WITNESS: I believe this was a
24 document that GSR prepared for [REDACTED] I believe what
25 happened was [REDACTED] approached [REDACTED] and said, we know

1 that -- we think GSR's liquidity dating XRP on your
2 behalf -- I'm summarizing, and we think we can do it
3 better. And they prepared an analysis of their
4 strategy, and they analyzed ours, and they came to
5 the conclusion that they were going to do it better.
6 And when we saw their analysis, we rebutted it, I
7 guess you would say.

8 BY MS. ZORNBERG:

9 Q. Yeah. Was the -- do you remember the year
10 in which this was sent over?

11 A. No, I do not. Are there any clues?

12 Q. Well, I can represent to you that this
13 was -- this was sent -- this document, Exhibit 103,
14 was sent as an attachment to -- to [REDACTED]
15 and others at GSR on June 11, 2019.

16 MS. WAXMAN: Object. And, Lisa, do you
17 have the cover email showing the -- that he actually
18 received this attachment or the email?

19 MS. ZORNBERG: I don't think we need to
20 designate it. For the record, if you want, I'll
21 give -- I can give you the Bates number of the cover
22 email. It's -- it's GSR_14586.

23 THE WITNESS: On the page that ends 301,
24 first sentence says:

25 "The migration to our new tech

1 stack (ETA July 2019) will allow us
2 to take into account."

3 So this must have happened prior to that.

4 BY MS. WAXMAN:

5 Q. Okay. Sometime in 2019?

6 A. I mean, maybe it was '18. It was
7 definitely before --

8 Q. Yeah. Let me -- let me direct your
9 attention to page 5 of the document that has GSR --
10 I'll use the GSR Bates stamp. It's got -91 at the
11 end. And it's the page that has the header, "GSR
12 Current Liquidation Program."

13 Okay. Let me direct your attention to the
14 third paragraph down, or the fourth, rather, where
15 GSR's document says:

16 "Although our current
17 execution strategy may not be
18 perfectly optimized, it utilizes
19 aggregation in a non-naive
20 approach, which results in fair
21 pricing for all participants
22 (pareto optimality) and avoids
23 material market impact in the short
24 and long term."
25 Do you see that?

1 A. Yes.

2 Q. Is that an accurate statement?

3 A. I was hoping you wouldn't ask me that,
4 because I don't -- I'm not sure I understand what
5 pareto optimality means. I don't think I wrote
6 this.

7 Q. Okay. That makes two of us. But let's
8 focus on the end of the sentence.

9 Do you agree that as of when this was
10 prepared, GSR's execution strategy was one that --
11 to avoid material market impact in the short and
12 long term?

13 MS. WAXMAN: Objection.

14 THE WITNESS: Yes.

15 BY MS. ZORNBERG:

16 Q. Okay. And then in the next paragraph the
17 document states:

18 "It is critical that the
19 participants of the XRP liquidation
20 program are not competing against
21 each other."

22 And the following sentence says:

23 "The priorities are the health
24 of the ecosystem and minimizing
25 market impact."

1 Do you see that?

2 A. Yes.

3 Q. Can you just explain what it means to
4 minimize market impact and why that was GSR's
5 execution strategy?

6 MS. WAXMAN: Objection.

7 THE WITNESS: We had several entities
8 looking to liquidate XRP through us. All these
9 entities have, some of them have bigger, some have
10 smaller amounts, but they all have significant
11 holdings of XRP, which are orders of magnitude
12 larger than the liquidity available in the market.

13 So what I was trying -- what we were
14 trying to say here is that I totally understand how
15 one of these entities might say, well, I want to
16 sell all my XRP tomorrow. Well, if -- because they
17 don't care about the other entities. And because we
18 were doing all these XRP sales on behalf of all of
19 these clients, we didn't want to let people -- or
20 have people tripping over themselves and trying to
21 get ahead of the rest. Had to do it in some kind of
22 a controlled fashion.

23 And having a bird's eye view of all the
24 different interests and being able to push back on
25 some of these requests was a way that we tried to

1 maintain an orderly market and minimize the long
2 term impact on the price of XRP.

3 If we -- to put it another way, if we
4 had -- I don't remember specifics but I'm sure there
5 were times when some of these clients called, said,
6 well, you know, price of XRP just went up
7 30 percent, can we sell all of it?

8 No, we cannot, there is not enough
9 liquidity in the market to be able to do that.

10 BY MS. ZORNBERG:

11 Q. In your experience dealing with
12 Ripple Labs, was Ripple supportive of the strategy
13 of selling in a way that avoided material market
14 impact?

15 A. Yes.

16 MS. WAXMAN: Objection.

17 BY MS. ZORNBERG:

18 Q. Let me ask you to turn the page to page 7,
19 to the page that's titled "Unparalleled Experience."
20 And the next-to-last sentence says:

21 "Our number one goal is to
22 create and maintain a constructive
23 environment for XRP. Unlike new
24 competitors, we are not trying to
25 make a quick profit by selling

1 XRP."

2 Do you see that?

3 A. Yeah.

4 Q. Did you view that as an accurate statement
5 as of 2019?

6 A. Yes. And it's tied to what I was just
7 saying on my previous comment. We weren't trying to
8 maximize dollar revenues today or this week, but
9 rather create a long-term program that would allow
10 all of these large XRP holders to be able to
11 monetize their position over time in a thoughtful
12 manner.

13 Q. Was the reference to "new competitors" a
14 reference to [REDACTED]?

15 A. In all likelihood, yes.

16 Q. So what -- what methods did GSR use in
17 programmatically selling XRP on Ripple's behalf and
18 on behalf of other clients, selling XRP on behalf of
19 other clients to minimize the market impact?

20 MS. WAXMAN: Objection.

21 THE WITNESS: There's a wide range from
22 trying to -- part of it is trying to gauge what is
23 an appropriate amount of supply. We discussed this
24 a few times earlier today. We felt that tying it to
25 the amount of real trading volume was a reasonable

1 way to calibrate it. Then in terms of how the
2 [REDACTED] actually execute the sales, I'll give
3 you, just to illustrate my point. If -- if your
4 [REDACTED] just sends XRP to the exchange and as soon
5 as it hits the exchange just goes into the order
6 book and hits a bid and hits a bid and hits a bid
7 and hits a bid, that pattern is -- can be recognized
8 by the market participants.

9 If other market participants recognize the
10 pattern, chances are they will front run you. If
11 they front run you, you're going to have a lower
12 execution price.

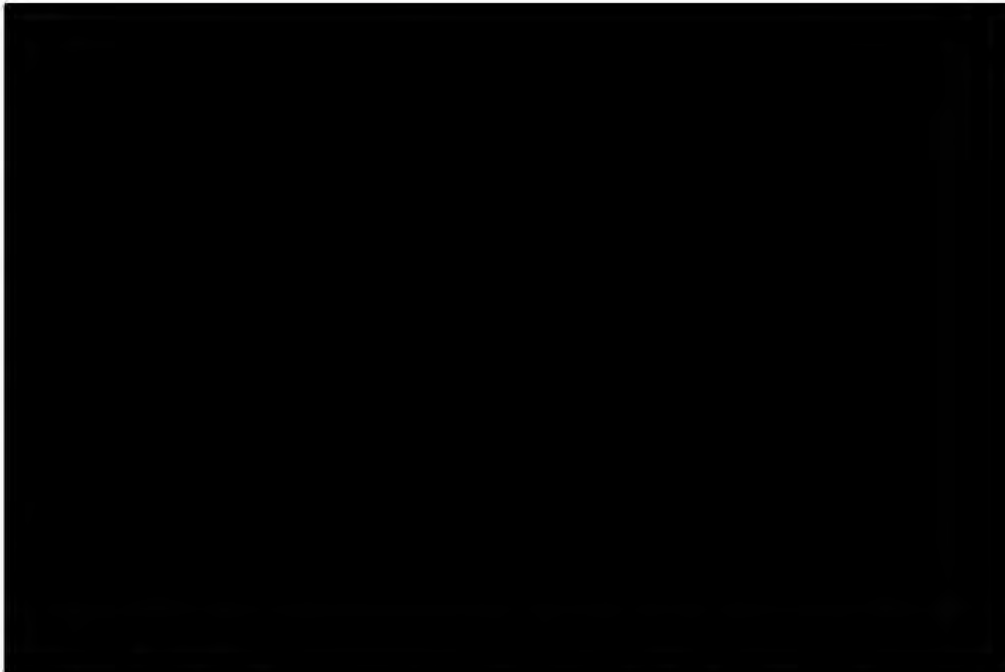
13 Another way where we improved the
14 execution price, as discussed earlier, was by
15 providing [REDACTED] [REDACTED]
16 [REDACTED]

17 BY MS. ZORNBERG:

18 Q. Right.

19 A. [REDACTED]
20 [REDACTED]

21 A third way in which we improved the net
22 execution price, instead of -- most exchanges have
23 [REDACTED]
24 [REDACTED]
25 [REDACTED]



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11 Q. Was spreading out sales over various
12 exchanges another way to minimize market impact?

13 MS. WAXMAN: Objection.

14 THE WITNESS: Yes. To the degree that if
15 you try and force too many sales through any one
16 given exchange, you end up with the underlying
17 problem of not enough liquidity. There's only so
18 many market participants in any given exchange,
19 there's only so much capital they have available to
20 purchase XRP. So you couldn't route all of the
21 sales to any one given exchange because you would
22 probably end up creating dislocations.

23 BY MS. ZORNBERG:

24 Q. You were asked some questions by the SEC
25 about Ripple being in favor of an orderly XRP

1 market.

2 Do you recall questions along those lines?

3 A. Yes.

4 Q. Okay. To your knowledge, did Ripple ever
5 make any promise to anyone that it, Ripple Labs,
6 would maintain an orderly market in XRP?

7 MS. WAXMAN: Objection.

8 THE WITNESS: No.

9 BY MS. ZORNBERG:

10 Q. So if we could go to a few of the
11 documents that the SEC showed you, the first one I
12 want to call your attention to is -- sorry, just
13 give me one moment. Okay. [REDACTED] 15.

14 Okay. When the SEC was questioning you,
15 they called your attention only to the August 6th
16 2134, email that's second down from Patrick Griffin
17 where he wrote:

18 "We saw the price was bid up
19 pretty aggressively, fantastic."

20 And the SEC asked you about that sentence.

21 I want to direct you to your response to
22 Mr. Griffin right above it at the top of the email
23 where you wrote:

24 "GSR purchased XRP today, but
25 our purchases started after the

1 first big move."

2 Did you see that?

3 A. Yeah.

4 Q. What does that mean, that the purchases
5 started after the first big move?

6 A. Well, Patrick -- Patrick is saying, we saw
7 the price go up a lot, and he's basically -- his
8 question is getting at is, was that because you guys
9 were buying. And my reply is, the price was already
10 on the way up by the time we started buying.

11 Q. All right. You can put that aside.

12 MS. ZORNBERG: Can I have Exhibit 105.

13 Just one second. You know what, I don't
14 think we need that exhibit. We can put it aside.

15 Q. Can we pull out the SEC exhibit that they
16 showed you, [REDACTED] 53. It's the master purchase
17 agreement.

18 A. Sorry, getting there. Here we go.

19 Q. Take your time.

20 A. Yeah.

21 Q. Okay. So you were asked some questions
22 about a period of time in 2020 when GSR executed
23 purchases of XRP on behalf of Ripple.

24 Do you recall that?

25 A. Yes.

1 Q. And -- and this exhibit, 53, was the
2 agreement that governed those purchases between GSR
3 and Ripple, right?

4 MS. WAXMAN: Objection.

5 THE WITNESS: I believe that's correct,
6 yes.

7 BY MS. ZORNBERG:

8 Q. Let me -- let me direct your attention for
9 a moment to Section 2 on page 2 of this agreement.
10 And recognizing that I'm sure you did not draft the
11 agreement and that you're -- you're not a lawyer, I
12 do want to direct you to the Section 2A where it
13 says "Execution Parameters."

14 And do you see that it starts with this
15 sentence. Quote:

16 "The company will ensure" --

17 And actually, let me pause here because
18 company here is defined as GSR [REDACTED]

19 A. Yeah.

20 Q. Okay. So GSR is the company. And it
21 says:

22 "The company will ensure
23 orderly markets and avoid undue
24 market impact in relation to any
25 purchases under this agreement,

1 including by ensuring compliance
2 with the following parameters."

3 And then it goes on to list some
4 parameters.

5 Do you see that?

6 A. Yes.

7 Q. Is it fair to say that Ripple and GSR both
8 wanted those purchases to be conducted in a way that
9 avoided undue market impact?

10 MS. WAXMAN: Objection.

11 THE WITNESS: I think so. Yes.

12 BY MS. ZORNBERG:

13 Q. Can I ask you to take a look at
14 Exhibit [REDACTED] 64.

15 MS. ZORNBERG: Can you pull a copy of that
16 for me?

17 THE WITNESS: Gosh, had to be the last
18 one. Sorry.

19 BY MS. ZORNBERG:

20 Q. Okay. So this was one of the documents
21 the SEC marked earlier. I want to direct your
22 attention to the next to last page, which is a
23 June 4, 2018, 12:04 p.m. email from [REDACTED]
24 [REDACTED] to you.

25 Do you see it?

1 A. Sorry, I was looking --

2 Q. It's the next-to-last page.

3 A. Got it. 12:04, yeah.

4 Q. Okay. And I want to direct your attention

5 to the second paragraph in his email to you which

6 says:

7 "Again, we want to be
8 sensitive about targeting trading
9 only against what is real volume.
10 If you see evidence of fake volume,
11 please let us know."
12 Do you see that?

13 A. Yes.

14 Q. Did Mr. [REDACTED], as far as you
15 understand, share your desire to avoid trading on
16 fake volume?

17 A. Absolutely.

18 MS. WAXMAN: Objection.

19 BY MS. ZORNBERG:

20 Q. Do you have any knowledge of Ripple
21 switching from [REDACTED] to [REDACTED]
22 [REDACTED] out of a, you know -- well, let me just pause
23 there.

24 Do you have any information or knowledge
25 that that occurred?

1 A. I know that the subject of fake volumes
2 was a very important one, and we -- GSR and Ripple
3 shared the view that we wanted -- we only cared
4 about real volumes. And over time, we incorporated
5 whatever information or signals we could find to
6 help us better determine what we thought were real
7 volumes.

8 You mentioned [REDACTED] going to
9 [REDACTED] I don't remember the specifics, but I
10 think [REDACTED] was the first aggregator, and
11 they came up with some measures of trustworthiness,
12 and we probably used that measure at first. As
13 other reporting outlets became more sophisticated,
14 we incorporated their information into our
15 determination of what was real.

16 Q. Do you -- were you ever told that Ripple
17 had switched to -- from [REDACTED] to
18 [REDACTED] because it viewed the latter
19 as being more reliable?

20 MS. WAXMAN: Objection.

21 THE WITNESS: I don't remember the
22 specific date, but that was the philosophy by and
23 large, yes.

24 BY MS. ZORNBERG:

25 Q. Okay. You were asked some questions by --

1 by the -- let me -- let me ask you to pull out

2 [REDACTED] 29.

3 A. If I put them in order, this would go a
4 lot faster.

5 MR. HANIN: I thought you were actually
6 calling them emails, but you said put them in number
7 order.

8 THE WITNESS: Is this towards the
9 beginning or the end?

10 MS. ZORNBERG: I think it was the middle.

11 MR. HANIN: I put them in numerical order,
12 so I can do it for you.

13 THE WITNESS: Okay. I got it.

14 MS. ZORNBERG: Your lawyer is not helping
15 you at all.

16 MR. HANIN: I was helping myself.

17 BY MS. ZORNBERG:

18 Q. All right. Mr. [REDACTED] you were asked about
19 this -- parts of this email by the SEC, and I want
20 to go back over other parts.

21 First of all, just to level set, this is a
22 string of emails from November 2016. Directing your
23 attention to page 2 of the email -- well, before I
24 direct your attention to certain language, I believe
25 you testified earlier, after looking at the email,

1 that you think that the reference to press in this
2 chain was a reference to the news that Chris Larsen
3 had stepped down as CEO to become chairman.

4 And at the bottom of page 2, you had --
5 you had pointed out Patrick Griffin's email at 1454:

6 "I'm only seeing positive
7 sentiment on the news: General
8 feeling seems to be that Ripple is
9 doing well enough for Chris to take
10 that move."

11 Do you remember being asked about that
12 earlier today?

13 A. Yeah.

14 Q. Okay. And then you were asked a number of
15 questions by the SEC about a reference above it to
16 Patrick Griffin's additional email. But I want
17 to -- first I want to focus you on your -- what you
18 wrote on November 1st at 10:14 p.m. where you
19 wrote, quote:

20 "I am very surprised that the
21 price is reacting so well. We will
22 continue to monitor closely as the
23 market continues to digest the
24 news. I've never been so glad to
25 be wrong on a market call."

1 Do you see that?

2 A. Yeah.

3 Q. Is it fair to say that any expectation
4 that you had that price in XRP would go down in
5 reaction to the news proved incorrect?

6 MS. WAXMAN: Objection.

7 THE WITNESS: I think that's fair to say,
8 yes.

9 BY MS. ZORNBERG:

10 Q. And to the extent that Patrick Griffin had
11 been preparing for possible purchases of XRP, if --
12 if the news affected price, he too was incorrect?

13 MS. WAXMAN: Objection.

14 THE WITNESS: Yes. Because, as you can
15 see from his message on November 1st at 1529, he's
16 giving us instructions 'cause I guess he's also
17 expecting.

18 BY MS. ZORNBERG:

19 Q. So Ripple was wrong in that instance, just
20 like you were wrong --

21 MS. WAXMAN: Objection.

22 BY MS. ZORNBERG:

23 Q. -- about how news might affect the market?

24 MS. WAXMAN: Objection.

25 THE WITNESS: I certainly was wrong. And

1 Patrick, too, yes.

2 BY MS. ZORNBERG:

3 Q. Okay. Let me -- and by the way,
4 Ms. Waxman had asked you about Patrick's use of the
5 term "target floor" in that email.

6 Now, the SEC only showed you this one
7 email from November 2016 using the word target --
8 the term "target floor." They haven't shown you any
9 emails today with similar language after 2016.

10 MS. WAXMAN: Objection.

11 BY MS. ZORNBERG:

12 Q. As you sit here today, do you
13 specifically -- do you have any recollection of
14 Ripple discussing target floors in emails with you?

15 A. No, I don't have any recollection. Are
16 you asking like when was the last time I thought I
17 heard -- I mean ...

18 Q. No. You answered the question.

19 Okay. I have only one more SEC exhibit
20 for you to dig out, and it's [REDACTED] 13.

21 A. Got it.

22 Q. I'd like to ask you to turn to page 3 of
23 the email, which was not discussed earlier today,
24 though other parts of this chain were. And I'd like
25 to direct your attention to the July 21, 2016 email

1 that you wrote at 2:52. It's in the middle of
2 page 3.

3 A. Yes.

4 Q. Okay. And in the email you wrote:

5 "Although market chatter has
6 been very positive in the 72 hours
7 following the news releases,
8 trading volumes and XRP prices
9 remain stagnant. Market
10 capitalization rates are almost
11 unchanged from last week, though we
12 have seen a modest increase in
13 CNY."

14 Do you see that?

15 A. Yes.

16 Q. What's CNY?

17 A. Chinese yuan.

18 Q. All right. Is this -- the portion of your
19 email that I just read to you, is that another
20 instance where a new release or news releases,
21 however positively received, from your perspective,
22 had -- did not impact trading volumes or XRP prices?

23 MS. WAXMAN: Objection.

24 THE WITNESS: That's -- that's what I'm
25 saying in this note, quite clearly, right? There

1 has -- there has been positive market chatter
2 following news releases. I don't remember what the
3 releases were. But trading volumes and XRP prices
4 have not reacted to it.

5 In general, this issue of crypto being a
6 nascent market and having very little liquidity
7 means that there's an enormous amount of noise. And
8 it's very difficult to point one way or the other.
9 And, you know, sometimes I guess in a more mature
10 market, you would expect, as real news comes to a
11 head, you would expect them to observe the price
12 follow, whereas in crypto, maybe it gets lost in the
13 wash.

14 BY MS. ZORNBERG:

15 Q. All right. You can put that document
16 aside.

17 I'd like to go back to a question and
18 answer you were asked by the SEC earlier today just
19 to clarify something.

20 You were asked -- you were asked about the
21 Ledger in gateways, some general questions about
22 that back in 2015. And you gave an -- you gave an
23 answer, which the transcript will reflect, stating
24 that in 2015, "It wasn't easy to access Ripple and
25 that the more gateways there are, the more people

1 who can use Ripple."

2 That's what we -- on a break, we took from
3 the transcript. What did you mean by your use of
4 the term "Ripple" in that answer? What were you
5 referring to that it wasn't easy to access Ripple?

6 A. You couldn't use the Ripple Network or the
7 Ripple Consensus Ledger. You had to -- back then,
8 before XRP was listed on other exchanges, whatever,
9 you could transact on the Ripple Consensus Ledger by
10 depositing money into it via a gateway or
11 withdrawing it using a gateway. So I was referring
12 to the Ripple Network or the Ripple Consensus
13 Ledger.

14 Q. Okay. Was the Ledger something that
15 existed separate and apart from Ripple Labs, the
16 software company?

17 MS. WAXMAN: Objection. Asked and
18 answered.

19 THE WITNESS: Yes.

20 BY MS. ZORNBERG:

21 Q. Mr. [REDACTED] is it fair to say that GSR cares
22 about operating its business in a legally compliant
23 manner?

24 A. Absolutely.

25 MS. WAXMAN: Objection.

1 BY MS. ZORNBERG:

2 Q. And you --

3 MS. ZORNBERG: What's the basis for the
4 objection?

5 MS. WAXMAN: You're testifying for him.

6 MS. ZORNBERG: That's not correct and the
7 transcript will reflect what it reflects.

8 Q. Do you personally care about operating
9 GSR's business in a legally compliant manner?

10 A. Very much so.

11 Q. Without disclosing your communications
12 with counsel, has GSR, from time to time, consulted
13 with lawyers to ensure it was operating in a legally
14 compliant manner?

15 MS. WAXMAN: Objection.

16 THE WITNESS: Yes.

17 BY MS. ZORNBERG:

18 Q. You also testified this morning that GSR,
19 whether through its management or its lawyers, had
20 reached out -- had met with the SEC, correct?

21 A. Yes.

22 Q. On approximately -- to your knowledge,
23 approximately how many times has GSR reached out to
24 the SEC since -- since GSR came into existence?

25 A. The instance I described this morning was

1 the first time where we -- for want to have a better
2 expression, the open kimono thing, this is us, this
3 is what we do. But I have had conversations with
4 the SEC prior to that, with Daphna last year.

5 Q. Okay. And other than the conversation
6 with Daphna last year and your meeting in
7 January 2021 with the SEC, are you aware of whether
8 GSR or its lawyers have reached out through phone,
9 in person or writing to the SEC on other occasions?

10 MS. WAXMAN: Objection.

11 THE WITNESS: I believe -- in fact, I hope
12 that the gentleman who we hired at the end of last
13 year, who's the CEO of GSR USA, is engaging with the
14 SEC and other regulators on our behalf and has been
15 doing so on a regular basis over the last eight or
16 nine months.

17 BY MS. ZORNBERG:

18 Q. Without disclosing any communications
19 you've had with counsel, does GSR have regulatory
20 counsel?

21 A. Yes.

22 Q. Who is that?

23 A. [REDACTED]

24 Q. Okay. Who at [REDACTED] if you know?

25 A. [REDACTED] and -- and a gentleman who's [REDACTED]

1 perhaps.

2 Q. Close enough. Close enough.

3 MR. HANIN: [REDACTED]

4 BY MS. ZORNBERG:

5 Q. Focusing your attention on the period of
6 time before December 22nd, 2020, when the SEC
7 filed the lawsuit against Ripple Labs, has -- had
8 the SEC ever communicated to GSR that it believed
9 GSR was violating U.S. security law?

10 A. No.

11 Q. Had the SEC ever communicated, prior to
12 December 22nd, 2020, to GSR that in the SEC's
13 view, XRP was a security?

14 MS. WAXMAN: Objection.

15 MR. HANIN: Objection to the foundation,
16 but ...

17 THE WITNESS: I don't -- I don't recall.
18 I -- I don't recall if it came up. If it -- if that
19 would have happened, it would have happened during
20 my conversation with Daphna, but I don't recall the
21 details of that conversation. I do know that if --
22 I mean, it's something I would have remembered if --
23 to be blunt, if the SEC says we don't like this,
24 don't do it, we just won't do it.

25 / /

1 BY MS. ZORNBERG:

2 Q. But the SEC never told you to stop --

3 A. No.

4 Q. -- transactions in XRP, correct?

5 A. No.

6 MS. WAXMAN: Objection.

7 BY MS. ZORNBERG:

8 Q. And is that true to this day?

9 A. I don't believe the XRP [sic] has told us
10 anything. When we had that meeting in January we
11 told the people from the SEC that we were -- we had
12 stopped trading XRP on behalf of Americans and
13 exchanges that catered to Americans, et cetera. We
14 were going to continue servicing ODL from our
15 Singapore entity facing off with Ripple's
16 Singaporean entity. We felt it was important to be
17 up front about that.

18 Q. In your prior answer, I think you called
19 the SEC XRP --

20 MR. HANIN: XRP, yeah.

21 BY MS. ZORNBERG:

22 Q. -- and I think they'll take great umbrage
23 to that. Do you want to correct that?

24 A. Yes.

25 Q. You meant the SEC?

1 A. Did I make the mistake again?

2 MR. HANIN: This was a different
3 conflation, but no -- yes, obviously, he meant SEC,
4 not XRP.

5 THE WITNESS: I'm sorry.

6 MS. ZORNBERG: Feel free to change the
7 agency name, Ms. Waxman.

8 MS. WAXMAN: We'll take it under
9 advisement.

10 BY MS. ZORNBERG:

11 Q. Are you aware of jurisdictions outside the
12 United States that have declared that XRP is a
13 virtual currency not regulated by securities laws in
14 those countries?

15 MS. WAXMAN: Objection.

16 THE WITNESS: I believe Singapore is one
17 of those.

18 BY MS. ZORNBERG:

19 Q. Are you aware of any jurisdiction outside
20 the United States that has, as of today, has
21 declared XRP is a security?

22 A. No.

23 MS. WAXMAN: Objection.

24 BY MS. ZORNBERG:

25 Q. You mentioned earlier in your testimony by

1 the SEC that -- and if I get this wrong, please
2 correct me, but I think I heard you to say that part
3 of the meeting with the SEC in January entailed
4 telling them or expressing the view that the
5 regulations are unclear or that the framework
6 doesn't exist yet.

7 MS. WAXMAN: Objection.

8 BY MS. ZORNBERG:

9 Q. I don't want to misstate your testimony.
10 But -- so let me just put it this way: From where
11 you sit operating GSR, do you have a view as to
12 whether the SEC's regulations or view of regulations
13 applicable to crypto exchanges in the digital asset
14 industry have been clear or unclear?

15 MS. WAXMAN: Objection.

16 THE WITNESS: I wouldn't know where to
17 draw the line in the sand between clear and unclear,
18 but we always welcome more clarity.

19 MS. ZORNBERG: Why don't we take a short
20 break, if we could.

21 THE VIDEOGRAPHER: Going off the record at
22 4:04 p.m.

23 (Whereupon, a recess was taken.)

24 THE VIDEOGRAPHER: We're going back on the
25 record at 4:14 p.m.

1 MS. DEARBORN: Lisa, do you want to --

2 MS. ZORNBERG: I have nothing further from
3 Ripple Labs.

4 EXAMINATION BY MS. DEARBORN

5 BY MS. DEARBORN:

6 Q. Good afternoon, Mr. [REDACTED]

7 A. Good afternoon.

8 Q. My name is Meredith Dearborn, I represent
9 Chris Larsen.

10 You and I have never met, right?

11 A. I don't think so.

12 Q. Okay. Me neither.

13 So we've talked about a variety of
14 different GSR entities or operations today. Which
15 GSR entities, to your knowledge, were involved in
16 providing services to Mr. Chris Larsen?

17 A. I believe GSR Holdings, which is a
18 misnomer, because it's not a holding company, but
19 GSR Holdings historically took care of XRP
20 programmatic liquidations, whereas GSR Markets was
21 the operating company from which we did, for
22 example, ODL, and I believe it's the operating
23 company from which we traded derivatives, so on.

24 Q. Other than GSR Holdings and GSR Markets,
25 were any other GSR entities involved in providing

1 services to Mr. Larsen?

2 A. I don't think so.

3 Q. Is the same true of Mr. Garlinghouse?

4 A. Yes.

5 Q. And is the same true -- I'm sorry, go
6 ahead.

7 A. I was just gonna say one more thing. GSR
8 Markets, when I refer to GSR Markets, the first GSR
9 Markets was incorporated in Hong Kong. Then we
10 cloned our operating companies in Singapore when the
11 MAS released their legal framework. And that -- we
12 applied with our Singaporean operating companies,
13 just to be clear.

14 Q. Thank you for the clarification.

15 And is the same -- is the same answer true
16 as to Ripple, that the only entities to provide
17 services to Ripple were GSR Holdings and GSR Markets
18 and the cloned entities --

19 A. Whether Hong Kong -- I believe so, yes.

20 Q. You've anticipated my next question, which
21 is where is GSR Holdings located?

22 A. The original GSR Holdings was in Hong
23 Kong. And we cloned it in Singapore, but we -- I
24 don't think we ever actually did anything with it.

25 Q. Okay. And where is GSR Markets located?

1 A. Hong Kong and Singapore.

2 Q. Okay. Does GSR have computer services --
3 servers that it uses for its business? And when I
4 speak about GSR, I'll just be speaking about those
5 two entities; is that fair?

6 A. Holdings and Markets?

7 Q. Yes, please.

8 A. Okay.

9 Q. Okay. So do those two entities have
10 computer services that they use -- computer servers
11 that they use for their business?

12 A. Yes.

13 Q. Where are they located?

14 A. All over the world.

15 Q. Okay. And when did those two entities
16 incorporate in Hong Kong and then in Singapore?

17 A. In Hong Kong in the first half of 2017.

18 Q. And when did they -- when were they cloned
19 in Singapore?

20 A. At some point in 2020, I believe. It
21 might have been earlier.

22 Q. Thank you.

23 A. Might have been 2019.

24 Q. Thank you.

25 Before 2017, where -- were there any other

1 entities that provided Mr. Larsen, let's take

2 Mr. Larsen first, Mr. Larsen with services?

3 A. Yes. Before 2017, we were incorporated in
4 Andorra.

5 Q. Where is Andorra?

6 A. It's on the Pyrenees on the border between
7 Spain and France.

8 Q. Okay. It's in Europe?

9 A. Yes.

10 Q. Okay. I had to look it up, actually.

11 A. Not a lot of people know about it.

12 Q. Okay. So from 2013 --

13 (Reporter clarification.)

14 MS. DEARBORN: 2013.

15 Q. From 2013, which is the start of GSR, I
16 believe you testified, to about 2017, when GSR moved
17 to Hong Kong, were all of the services that GSR
18 provided to Mr. Larsen done from Andorra?

19 A. From an Andorran entity, yes.

20 Q. Okay. And is the same true of
21 Mr. Garlinghouse?

22 A. Yes.

23 Q. Okay. And is the same true of Ripple?

24 A. Yes.

25 Q. Now, today, does GSR have any United

1 States-based subsidiaries or operations?

2 A. We have a U.S. opco called GSR USA, I
3 believe.

4 Q. At any point in time, have any of those
5 United States-based subsidiaries or operations ever
6 been involved in any services provided for
7 Mr. Larsen?

8 A. No.

9 Q. Have any of those subsidiaries or
10 operations been involved in providing services to
11 Mr. Garlinghouse?

12 A. No.

13 Q. Have any of those services or operations
14 been involved in providing services to Ripple?

15 A. No.

16 Q. Sorry, I misspoke. Subsidiaries or
17 operations, but you understood that to be my
18 question?

19 A. Understood.

20 Q. Okay. Does GSR have any U.S.-based
21 personnel?

22 A. Today?

23 Q. Mh-hmm.

24 A. Yes.

25 Q. Have any of those personnel been involved

1 in providing services for Mr. Larsen, to your
2 knowledge?

3 A. I don't think so.

4 Q. How about for Mr. Garlinghouse?

5 A. No.

6 Q. Or for Mr. -- or for Ripple?

7 A. Now, yes.

8 Q. Okay. And you testified that you were the
9 primary point of contact for Ripple and for
10 Mr. Larsen and for Mr. Garlinghouse in providing
11 GSR's services.

12 Do I have that right?

13 A. That's correct.

14 Q. And you said you live in [REDACTED]

15 A. Yes.

16 Q. When you were performing services for any
17 of those three clients, from where were you
18 principally located?

19 A. Typically [REDACTED].

20 Q. Okay. So we've spoken a little bit about
21 trades that GSR helped to effectuate on the XRP
22 Ledger, right?

23 A. Yes.

24 MS. WAXMAN: Objection.

25 / /

1 BY MS. DEARBORN:

2 Q. And we've also spoken about trades that
3 GSR has helped to effectuate that are based on
4 exchanges, right?

5 A. Yes.

6 MS. WAXMAN: Objection.

7 BY MS. DEARBORN:

8 Q. Okay. I just want to get a sense of the
9 relative proportion of the trading activity that you
10 have conducted for, let's start with Mr. Larsen,
11 that were conducted on the Ledger versus on
12 exchanges.

13 So as a general matter, what is the --
14 how -- over the period -- over time from 2013 to
15 2019, what -- what -- just give me a sense of the
16 comparative volume of trades that were done on
17 exchanges versus on the Ledger?

18 MS. WAXMAN: Objection.

19 THE WITNESS: Since -- since 2013?

20 BY MS. DEARBORN:

21 Q. Yes, please.

22 A. Well, 2014, which is I guess when we
23 started, there -- I think there was only the Ledger,
24 so 100 percent of our trading activity was on the
25 Ledger.

1 By late '16, if I remember, from reading
2 the documents, we were already trading XRP on
3 Poloniex, I think it was. If I remember correctly,
4 as soon as XRP started to appear on centralized
5 exchanges, the trading volume of XRP off Ledger
6 dwarfed the trading volume of XRP on Ledger, which
7 is also -- it's not specific to Ripple either. Same
8 thing happened with others.

9 Q. Yeah. Is it fair to say that since 2017,
10 the -- all of the trading activity that you have --
11 that GSR has helped to perform for Mr. Larsen has
12 happened off Ledger?

13 MS. WAXMAN: Objection.

14 THE WITNESS: I believe so.

15 BY MS. WAXMAN:

16 Q. And how about for Mr. Garlinghouse?

17 A. I'm not sure we ever did anything on
18 Ledger for Mr. Garlinghouse.

19 Q. And how about for Ripple?

20 A. Similarly to Chris, I don't -- I don't
21 recall really doing anything on Ledger in years.

22 Q. Okay. And so since 2017, just so the
23 record is clear, at -- all of the trading activity
24 that you have performed for any of those three
25 clients have been done on cryptocurrency exchanges?

1 A. Yeah. I mean, yes, with the caveat that
2 we -- I'm sure we probably traded XRP over the
3 counter with somebody, so that didn't happen on an
4 exchange.

5 Q. Okay.

6 A. But it's -- we haven't done anything on
7 Ledger, I don't think.

8 Q. Okay. So if I revised that question to
9 say since 2017, the vast majority of the trading
10 activity that GSR has performed for any of those
11 three clients, Mr. Larsen, Mr. Garlinghouse or
12 Ripple, has been done on cryptocurrency exchanges --

13 A. Yes.

14 Q. -- would that be more accurate?

15 A. That is correct.

16 Q. Okay.

17 MS. WAXMAN: Objection.

18 BY MS. DEARBORN:

19 Q. So when trading XRP for a client like
20 Mr. Larsen, I believe you testified as to this, but
21 do I have it right that GSR is effectively acting on
22 those clients' behalf?

23 MS. WAXMAN: Objection.

24 THE WITNESS: That's my interpretation and
25 I'm their execution agent or whatever term you want

1 to -- technical term you would use.

2 BY MS. DEARBORN:

3 Q. Okay. So a client could decide to stop
4 trading if the client wanted to and GSR would
5 comply?

6 A. Of course.

7 MS. WAXMAN: Objection.

8 BY MS. DEARBORN:

9 Q. Of course is your answer?

10 A. Yes. Of course.

11 Q. Okay. Would GSR ever undertake a trade
12 that its client told it not to do?

13 A. No.

14 Q. Okay. Now, we talked a lot about
15 programmatic trading or exchange trading in this
16 deposition, and I just would like to go sort of step
17 by step and figure out exactly what happens in each
18 one of the steps of a programmatic trade.

19 And by the way, just for terminology's
20 sake, would you prefer I use the term programmatic
21 trade or exchange trade or something else?

22 A. I'm indifferent.

23 Q. Okay. Let's just call it an exchange
24 trade, a trade on a cryptocurrency exchange.

25 A. Mh-hmm.

1 Q. So, first of all, as of -- let's take
2 year-end 2019. Is the way that GSR would execute a
3 trade on a cryptocurrency exchange the same for
4 Mr. Larsen and Mr. Garlinghouse and Ripple?

5 MS. WAXMAN: Objection.

6 THE WITNESS: Yes.

7 BY MS. DEARBORN:

8 Q. Okay. So if I just talk about the
9 clients, can we assume that I'm talking about all
10 three?

11 A. The mechanics should be similar, yes.

12 Q. Okay. If there is a difference as to any
13 one of those three entities in the tradings and the
14 services that GSR provided, will you just let me
15 know?

16 A. Yes.

17 Q. Okay. So first step, how does GSR come to
18 be in possession of XRP to be traded on the clients'
19 behalf?

20 MS. WAXMAN: Objection.

21 MS. DEARBORN: What's the basis for the
22 objection?

23 MS. WAXMAN: It's a legal question.

24 MS. DEARBORN: It's definitely not, but
25 okay.

1 Q. How does GSR come -- so does GSR come
2 to -- somehow come to be in possession of XRP that
3 belongs to a client?

4 A. So the client will send us XRP, we will
5 receive it in a Ripple wallet. We'll -- you know --
6 I'm guessing the next question is going to be and
7 then where does it go, right?

8 So we receive it in a Ripple wallet.
9 Typically --

10 Q. Do you mind if I stop you there --

11 A. Yeah, go ahead.

12 Q. -- so we can talk about this stepwise.

13 Okay. What do you mean by a Ripple
14 wallet?

15 A. A wallet that is -- well, it's called a
16 Ripple wallet but it's basically some software that
17 allows you to take claim, if you will, or be able to
18 operate some XRP. It's a construct on the Ledger.

19 Q. And that's a wallet that GSR designates
20 for receipt of the XRP from the client?

21 A. Correct.

22 Q. Okay. Have you heard the terms "cold
23 wallet" and "hot wallet" before?

24 A. Yes.

25 Q. What's the difference between the two?

1 A. A cold wallet is not connected to any
2 information system, so it's off-line and ostensibly
3 safer than hot wallets which are more easily hacked.

4 Q. So when the client first transfers XRP for
5 the purpose of GSR executing trades with it, is that
6 GSR designated wallet a cold wallet or a hot wallet?

7 A. It's -- over time, it's changed. I'm not
8 entirely certain. I know that we don't like to
9 leave one XRP more than we need to in any hot wallet
10 or in any exchange, because whenever you do so, you
11 open yourself up to the risk of hack or theft. So
12 all of the superfluous XRP is typically kept in a
13 cold wallet.

14 Q. Okay. So when the client sends GSR XRP to
15 a GSR designated wallet, at that moment, who owns
16 the XRP?

17 A. I think the XRP is still owned by the
18 client.

19 Q. In fact, does GSR ever take ownership of
20 the XRP through the entire trading process?

21 MS. WAXMAN: Objection.

22 THE WITNESS: Not to the best of my
23 knowledge.

24 BY MS. DEARBORN:

25 Q. Okay. And if XRP is not sold by GSR, does

1 GSR have to give that XRP back to the clients?

2 A. Yes.

3 Q. Okay. In that circumstance, is there any
4 penalty for failing to sell -- failing to sell the
5 XRP?

6 A. I --

7 MS. WAXMAN: Same objection.

8 THE WITNESS: I don't think so. I don't
9 think I've seen that. I don't think we've ever been
10 penalized for it, no.

11 BY MS. DEARBORN:

12 Q. Okay. So in order to come into possession
13 of the XRP into the GSR designated wallet for
14 trading, what, if anything, did GSR pay to its
15 clients at that moment?

16 MS. WAXMAN: Objection.

17 THE WITNESS: What did we pay our client?

18 BY MS. DEARBORN:

19 Q. If anything.

20 A. We didn't pay our clients anything.

21 Q. Okay. So GSR paid no interest rate to its
22 clients to come into possession of the XRP to be
23 traded?

24 A. In the context of the programmatic sales,
25 I don't think we paid any interest, no.

1 Q. And GSR didn't pay a fee to clients to
2 come into possession of the XRP to be sold?

3 A. No.

4 Q. Okay. At this point, when the XRP is in a
5 GSR designated wallet, is GSR on risk in any way for
6 the XRP?

7 MS. WAXMAN: Objection.

8 MR. HANIN: If you understand.

9 THE WITNESS: Do you mean if we were
10 hacked and the XRP disappear, would the risk be
11 ours? I don't think so.

12 BY MS. DEARBORN:

13 Q. Okay.

14 A. No, it would not.

15 Q. And I think we covered this, but does GSR
16 ever assume risk of being stuck with XRP that it
17 can't sell?

18 MS. WAXMAN: Objection.

19 THE WITNESS: I don't understand the
20 question because I don't see the risk. If we don't
21 sell it, we simply return it.

22 BY MS. DEARBORN:

23 Q. Right. It's fair to say that XRP is just
24 passing through GSR's custody?

25 MS. WAXMAN: Objection.

1 THE WITNESS: The XRP is passing through
2 our software, yes. To our [REDACTED] and ...

3 BY MS. DEARBORN:

4 Q. And, again, at this point, does GSR own
5 the XRP?

6 A. I don't think so.

7 Q. Okay. At this point, when the GSR is --
8 when the XRP is in a GSR designated wallet, could
9 the client decide that it didn't want to trade its
10 XRP for any other currency at all?

11 A. Of course.

12 Q. A client could say, actually, give me back
13 my XRP?

14 A. Yes.

15 Q. Okay. And GSR couldn't refuse at that
16 point, right?

17 A. No. I can't imagine, no.

18 Q. Okay. Now let's go to the second step.

19 So presumably the XRP has to get to the
20 exchanges somehow, right?

21 A. Correct.

22 Q. How does that happen? How does the XRP
23 get to the exchanges?

24 A. So exchanges typically have receiving
25 wallets. They'll have a deposit address. Typically

1 they'll have a destination that references our
2 account, and we would send the XRP from the wallet
3 that it was in into the exchanges wallet, and then
4 the exchange would notify us, oh, 100 XRP has
5 arrived.

6 Q. Okay. And, at that point, when the XRP is
7 in a receiving address wallet at the exchange, who
8 owns the XRP?

9 MS. WAXMAN: Objection.

10 THE WITNESS: I believe -- nothing's
11 changed. The XRP is still owned by the client.

12 BY MS. DEARBORN:

13 Q. Right.

14 And in layman's terms, does the client
15 sort of have an account at the exchange or how does
16 it work?

17 A. No. The account is ours. We open up the
18 account. Oftentimes we have -- the exchanges that
19 support this feature, we're able to create
20 subaccounts so that we don't commingle different
21 clients' funds.

22 Q. Okay. And how are buyers matched with
23 sellers at the exchanges? What happens at the
24 exchange?

25 A. There -- there is something called a

1 matching engine, which I know very little about.

2 When an offer and a bid cross, a transaction occurs.

3 I apologize for my ignorance, but --

4 Q. I promise you you're less ignorant than
5 me.

6 A. It's -- you know.

7 Q. Okay. I'm sorry, I didn't intend to cut
8 off your answer.

9 A. There's an order book where there are a
10 whole bunch of different offers at different price
11 levels and with different sizes, and same on the bid
12 side. And when those cross, transactions occur.

13 Q. Okay. And in -- what is GSR's role in
14 that process?

15 A. In the context of the programmatic sales?
16 As described earlier, you know, we will send orders
17 to the exchange that will result in us selling a
18 certain amount of XRP over a certain amount of time.
19 The nature of those orders can change. Typically
20 there has to be some [REDACTED]

21 [REDACTED]

22 [REDACTED]

23 [REDACTED]

24 So -- but by and large, what we do is
25 send -- send, cancel, modify, receive orders that

1 result in us selling XRP for other units of value.

2 Q. Got it. And we've used -- you've used the
3 word "order." Can you describe what an order is?

4 A. An order?

5 Q. Mh-hmm.

6 A. An instruction to either buy or sell
7 something at a particular price for particular size.
8 Can also be to modify an order, but yeah.

9 Q. Okay. So in the context of a situation
10 where a client wanted to sell its XRP on an
11 exchange, would an order be effectively -- would
12 that be an offer price?

13 A. Correct.

14 MS. WAXMAN: Objection.

15 THE WITNESS: You offer to sell.

16 BY MS. DEARBORN:

17 Q. Okay. And when is that offer or order
18 accepted?

19 A. When there's a bid, the opposite order
20 that wants to purchase at least that much size at
21 that price.

22 Q. Okay. Now, before an offer is accepted,
23 could a client tell GSR, actually, I don't want to
24 trade this XRP anymore, I'd like it back?

25 A. Yes.

1 Q. Okay. And it would be possible to stop
2 those trades before they happen when -- before a
3 trade was accepted, before an offer was accepted?

4 A. Yes. As soon as a client says stop,
5 return the funds, we stop the bots, if you will.

6 Q. Okay. And do the clients have ultimate
7 discretion in those offers, so if the client wants
8 to offer less or more, up 'til the point that the
9 offer is accepted, can the client modify that --

10 MS. WAXMAN: Objection.

11 BY MS. DEARBORN:

12 Q. -- that instruction?

13 A. The client has no bearing over our
14 [REDACTED] which are proprietary in nature. The
15 client gives us instructions to buy or sell or
16 pause, and we execute that. But it's one thing to
17 tell us, let's sell 30 basis points of the last 24
18 hours total trading volume, which is a continuous
19 order, and it's another thing, you know, tweak the
20 way the offering [REDACTED] works. That doesn't
21 happen.

22 Q. Got it.

23 But before the bid is accepted, could the
24 client modify their -- the amount of XRP, for
25 example, that they wanted to sell?

1 A. Yeah, they could -- they could tell us to
2 pause, they could tell us to ratchet up or slow
3 down. Yeah.

4 Q. And the bid isn't -- or the sale isn't
5 final, at that point, right?

6 MS. WAXMAN: Objection.

7 THE WITNESS: Correct. The sale is only
8 final when the bid and the offer cross.

9 BY MS. DEARBORN:

10 Q. Okay. So why do you say that?

11 A. Because when -- in crypto, there is
12 instantaneous settlement. When that bid and offer
13 cross, if we were selling XRP, we no longer have
14 that XRP. Now we have Bitcoin or dollars or yen or
15 whatever it was that the buyer used to purchase the
16 XRP from us.

17 Q. Okay. So just to summarize that, it's
18 accurate to say that a sale that GSR makes on behalf
19 of a client on a third-party exchange, that sale
20 only becomes final after being -- after the offer
21 and the acceptance are matched?

22 MS. WAXMAN: Objection. You're calling
23 for him to make some legal conclusion.

24 BY MS. DEARBORN:

25 Q. You can answer.

1 A. That's my understanding.

2 Q. Okay. And you've been working in this
3 industry for at least seven years, right?

4 A. (Nods head.)

5 Q. So you have a -- I'm sorry, you have to
6 give a verbal answer.

7 A. Yes. Sorry.

8 Q. So you have a pretty good understanding of
9 how the exchanges work, right?

10 A. I think so.

11 Q. And you advise clients on their strategies
12 for buying and selling cryptocurrencies on
13 exchanges?

14 MS. WAXMAN: Objection.

15 THE WITNESS: At a high level, yes, but
16 I'm not a quant trader.

17 BY MS. DEARBORN:

18 Q. Okay. Okay. How does GSR know when a
19 sale of XRP to a buyer on an exchange has become
20 final?

21 MS. WAXMAN: Objection.

22 THE WITNESS: The exchange should send us
23 a fill. So we're connected to the exchange via an
24 API. We send buy and sell orders, modify, whatever
25 it is, to the exchange. My understanding, and I'm

1 no expert, is that when that bid and that offer
2 cross, and there's a trade, the exchange is supposed
3 to report a fill to us and let us know that our
4 offer has now met a bid, the order has been canceled
5 and now we're in possession of something else.

6 BY MS. DEARBORN:

7 Q. How do you access the record of that fill,
8 to use your word?

9 A. I'm sorry, could you be more specific?

10 Q. Sure. I mean, do they send you an email
11 or do you log on to your account at the exchange?
12 How do you know?

13 A. No. It's via the API. And -- I think
14 some exchanges might send end-of-day emails, but
15 it's rare.

16 Q. Okay. And where, to your knowledge, are
17 those final sales on the exchange recorded?

18 MS. WAXMAN: Objection. Lack of
19 foundation.

20 THE WITNESS: You mean with regards to
21 the --

22 (Reporter clarification.)

23 THE WITNESS: Do you mean where does the
24 exchange record them or where do we record them?

25 / /

1 BY MS. DEARBORN:

2 Q. Where does the exchange record them, to
3 your knowledge?

4 A. I presume that they record it on some
5 server. They also -- they're supposed to report
6 those trades on a ticker tape.

7 Q. Got it. And at what point in this whole
8 process does the client no longer have the ability
9 to stop a trade?

10 MS. WAXMAN: Objection.

11 THE WITNESS: After it's occurred.

12 BY MS. DEARBORN:

13 Q. After the match on the exchange?

14 A. Yes. I mean ...

15 Q. Okay. When does GSR have the ability to
16 stop a trade, if the answer is any different?

17 A. We can -- that's a different question. We
18 can stop a trade whenever we want. But once the bid
19 and the offer has crossed the trade has occurred and
20 you cannot reverse it.

21 Q. Okay. So once -- once that trade has
22 occurred, what happens next?

23 A. In terms of?

24 Q. So how -- so let's say there's been a
25 trade between XRP and Mexican pesos on an exchange.

1 A. Mh-hmm.

2 Q. How do the Mexican pesos then make their
3 way back to the client, if that's their final
4 destination?

5 MS. WAXMAN: Objection.

6 THE WITNESS: If the client wanted their
7 Mexican pesos, they would instruct Bitso, in this
8 case, the Mexican exchange, to withdraw pesos to
9 their account.

10 BY MS. DEARBORN:

11 Q. Okay. So we've talked a little bit about
12 the buyers of XRP on these exchanges. And I believe
13 that you previously testified that GSR has no way of
14 knowing the identity of the buyer of the XRP.

15 Do I have that right?

16 A. Correct.

17 Q. Okay. And so it's possible that that
18 purchaser could reside outside of the United States,
19 right?

20 MS. WAXMAN: Objection.

21 BY MS. DEARBORN:

22 Q. Let me rephrase.

23 Is it possible that that purchaser
24 would -- is -- let me rephrase again.

25 Do you have any way of knowing whether or

1 not that purchaser is a foreign buyer?

2 MS. WAXMAN: Objection.

3 THE WITNESS: I have no way of knowing who
4 is on the other side of the trades, but when we
5 try -- when we trade on exchanges that don't cater
6 to Americans, we do so with the expectation that
7 there are no Americans on the exchange.

8 BY MS. DEARBORN:

9 Q. Okay. And on any exchange, regardless of
10 whether it's a -- an exchange that caters to U.S.
11 buyers or not, you would have no way of knowing
12 where the buyer of XRP is located when they're
13 executing a trade on the exchange; is that fair?

14 A. Correct.

15 MS. WAXMAN: Objection.

16 BY MS. DEARBORN:

17 Q. Okay. And it's possible that the XRP that
18 is sold on those exchanges never makes its way back
19 into United States at all, right?

20 MS. WAXMAN: Objection.

21 THE WITNESS: Yes.

22 BY MS. DEARBORN:

23 Q. Do you have any way of knowing one way or
24 the other?

25 MS. WAXMAN: Objection.

1 THE WITNESS: No.

2 BY MS. DEARBORN:

3 Q. All right. If a sale of XRP is done on an
4 exchange, is that sale recorded on the XRP Ledger?

5 A. No.

6 Q. That's why it's called an off-ledger
7 trade?

8 (Reporter clarification.)

9 THE WITNESS: No.

10 BY MS. DEARBORN:

11 Q. Sorry, I believe the answer to that's why
12 it's called an -- let me ask that question.

13 Is that why it's called an off-ledger
14 trade?

15 A. Correct.

16 Q. Okay. Is an exchange trade validated by
17 any of the nodes on the XRP Ledger?

18 A. No.

19 Q. Okay. And even though the trade is not
20 recorded on the XRP Ledger, do you still consider
21 that exchange trade to be final?

22 MS. WAXMAN: Objection.

23 THE WITNESS: Yes, of course.

24 BY MS. DEARBORN:

25 Q. Okay. Why?

1 A. It couldn't be any other way. A
2 transaction is a transaction whether it occurs on
3 one exchange or on the Ledger, trade's a trade.

4 Q. Now, turning to the Ledger for a moment,
5 depending on the circumstances, does the XRP Ledger
6 show transactions that are not sales?

7 MS. WAXMAN: Objection.

8 THE WITNESS: The XRP Ledger shows
9 movements. Yes.

10 BY MS. DEARBORN:

11 Q. Such as movements between one wallet and
12 another, right?

13 A. Yes.

14 Q. Okay. So -- and that doesn't necessarily
15 mean that the XRP was sold from one buyer to
16 another, right?

17 A. No. Correct.

18 MS. WAXMAN: Objection.

19 BY MS. DEARBORN:

20 Q. And what are some of the other
21 possibilities involved in a transfer from one wallet
22 to another?

23 A. I mean, why -- why do these transfers
24 occur?

25 Q. That's a fair question. It's a little bit

1 speculative.

2 So, you know, for example, would the XRP
3 Ledger potentially show a transfer between two
4 wallets on the Ledger that were held by the same
5 person?

6 MS. WAXMAN: Objection.

7 THE WITNESS: It could very easily, yeah.

8 BY MS. DEARBORN:

9 Q. Okay. Or a temporary -- a transfer from
10 one wallet to another that was just a temporary
11 transfer and the recipient would have to give it
12 back?

13 MS. WAXMAN: Objection.

14 THE WITNESS: Yes. I mean, any number of
15 combinations. It could be the same person,
16 different people.

17 BY MS. DEARBORN:

18 Q. Okay. So can you tell from activity on
19 the XRP Ledger whether ownership of XRP has passed
20 from one wallet to another?

21 A. No.

22 Q. Okay. So after GSR started providing
23 market making services to Mr. Larsen on the
24 exchanges, were you generally aware of where
25 physically the exchanges on which those trades took

1 place were located?

2 MS. WAXMAN: Objection.

3 THE WITNESS: Not really, and it's going
4 to sound strange, but even today, a lot of these
5 well known exchanges, it's unclear where they're
6 located.

7 BY MS. DEARBORN:

8 Q. Okay. So I actually am unfortunately
9 going to make you dig through your stack. If I
10 could bring up [REDACTED]-42 please, which is an exhibit
11 that Ms. Waxman showed you during her questions.

12 A. Okay.

13 Q. Okay. And Ms. Waxman asked you some
14 questions about the location of the exchanges that
15 are listed here.

16 Do you remember that testimony?

17 A. I think so.

18 Q. And she asked specifically whether any of
19 these were U.S.-based exchanges.

20 Do you recall that?

21 A. Yes, I do.

22 Q. And one of the exchanges that you
23 mentioned was Poloniex, right?

24 A. Correct.

25 Q. And you said that it was a U.S. exchange

1 at one point. Do I have that right? I don't want
2 to mischaracterize your testimony?

3 A. Yes. I said that.

4 Q. What do -- what did you mean?

5 A. Well, Poloniex was supposedly founded by a
6 gentleman from somewhere in Upstate New York. And
7 from dealing with the people in Poloniex over the
8 years, I know their support staff was somewhere in
9 the northeast too. So it seemed as though Poloniex
10 was operating from the United States, but I don't
11 know that I ever saw the Article of Incorporation or
12 I could confirm that in fact the company was based
13 in the U.S.

14 Q. Okay.

15 A. It might have been in one of these
16 Caribbean islands or -- yeah.

17 Q. So Ms. Waxman asked you to identify the
18 exchanges on this list that were based in the United
19 States.

20 As to the remainder of the exchanges that
21 you didn't identify, to what extent, if at all, is
22 it your understanding that they are located outside
23 of the United States?

24 MS. WAXMAN: Objection.

25 THE WITNESS: I -- I think that the rest

1 of the exchanges are located outside of the United
2 States.

3 BY MS. DEARBORN:

4 Q. Okay. To the best of your recollection,
5 sort of -- what ballpark percentage, approximately,
6 of Mr. Larsen's trades were executed on foreign
7 exchanges?

8 A. Over the life of the selling program?

9 Q. Yes, sir.

10 A. On a dollar adjusted basis, not number of
11 trades?

12 Q. We don't need --

13 A. What matters is the dollars?

14 Q. Mh-hmm.

15 A. I would guess higher than [REDACTED] percent was
16 done offshore.

17 Q. Okay. Is the same true of
18 Mr. Garlinghouse?

19 A. Yes. I -- I would imagine it would be
20 similar.

21 Q. Is the same true for Ripple's programmatic
22 sales?

23 A. Probably.

24 Q. Okay. So is it fair to say that you --
25 that [REDACTED] executes cryptocurrency strategies on

1 behalf of your clients mostly on non-U.S. exchanges?

2 MS. WAXMAN: Objection.

3 THE WITNESS: Yes. I guess that's fair.

4 BY MS. DEARBORN:

5 Q. Okay. And that's been true since the
6 exchanges came online?

7 MS. WAXMAN: Objection.

8 THE WITNESS: Yes. I mean, our -- we've
9 always had a very light footprint in the U.S., and
10 we started trading on **Coinbase** much later than
11 everybody else. A lot of our business was driven
12 out of Asia in the earlier years.

13 MS. DEARBORN: Okay. If we can take a
14 quick break, I might be fairly close to -- close to
15 wrapping up. But let me confer and see whether we
16 have anything else.

17 MR. HANIN: Sure.

18 THE VIDEOGRAPHER: We're going off the
19 record at 4:50 p.m.

20 (Whereupon, a recess was taken.)

21 THE VIDEOGRAPHER: We're going back on the
22 record at 5:12 p.m.

23 BY MS. DEARBORN:

24 Q. Hello. Just a few -- few more questions
25 for me.

1 So how -- going -- moving back to the
2 process of selling XRP on the cryptocurrency
3 exchanges.

4 A. Mm-hmm.

5 Q. So we talked a lot about the order or the
6 bidding process.

7 So how does a potential purchaser of XRP
8 know when an offer to sell XRP has been placed?

9 A. They will see an offer in the order book.

10 Q. What's the order book?

11 A. So the order book is all of the bids and
12 offers for any particular cross.

13 Q. And is that -- is that a record that the
14 exchange maintains?

15 A. Well, it's -- yes, in the sense when you
16 log into the exchange, and you click that particular
17 cross, you will see all the best bids and all the
18 best offers.

19 Q. Okay.

20 A. And that is called the order book. So if
21 a new offer pops up, somebody else puts in an offer,
22 you'll see another sell order on the exchange.

23 Q. Got it. So just to be clear, the offer
24 book is specific to each exchange, each exchange has
25 a different offer book?

1 A. Order book.

2 Q. I'm sorry, thank you, order book.

3 So each exchange has a different order
4 book?

5 MS. WAXMAN: Objection.

6 THE WITNESS: Each exchange has multiple
7 order books. Each cross has its own order book. A
8 cross would be, for example, XRP against dollars.

9 BY MS. DEARBORN:

10 Q. Okay. But you couldn't look on one
11 exchange's order book and see an offer to sell XRP
12 made on a different exchange, for example?

13 MS. WAXMAN: Objection.

14 THE WITNESS: Generally, no, but there are
15 some exchanges that pool liquidity. So you see an
16 offer on one exchange and, in fact, that offer is
17 occurring on another partner exchange.

18 BY MS. DEARBORN:

19 Q. Okay.

20 A. But it's not the norm.

21 Q. It's not the normal. Okay.

22 MS. DEARBORN: I have no further
23 questions.

24 Counsel for Mr. Garlinghouse.

25 MR. LEVANDER: No questions on behalf of

1 Mr. Garlinghouse.

2 MS. ZORNBERG: And by stipulation of the
3 parties before now, the SEC has agreed to limit its
4 rebuttal period to ten minutes.

5 FURTHER EXAMINATION BY MS. WAXMAN

6 BY MS. WAXMAN:

7 Q. Mr. [REDACTED], earlier you explained to
8 Ms. Dearborn that a sale of XRP is finalized when a
9 bid is hit, correct?

10 A. When a bid crosses an offer.

11 Q. And you were talking about sales in --
12 that GSR executed in relation to Mr. Larsen,
13 correct?

14 A. I guess so, yes.

15 Q. But at the time -- at the moment that the
16 bid was crossed, where was Mr. Larsen physically
17 located?

18 MR. HANIN: Objection.

19 MS. ZORNBERG: Objection to form.

20 MR. HANIN: I don't know how he could know
21 that.

22 THE WITNESS: I have no idea.

23 MS. DEARBORN: And also misstates the
24 testimony.

25 / /

1 BY MS. WAXMAN:

2 Q. Is it possible that Mr. Larsen was
3 physically located in the United States at the time
4 that the sale of XRP was finalized?

5 A. I guess so.

6 MS. DEARBORN: Objection to form.

7 BY MS. WAXMAN:

8 Q. And at the moment that a sale was
9 finalized on behalf of Ripple, where was Ripple
10 physically located?

11 MS. DEARBORN: Objection to form.

12 THE WITNESS: I -- I mean, I guess Ripple
13 has always been located -- I don't know where a
14 company is located. At their headquarters.

15 BY MS. WAXMAN:

16 Q. Where is Ripple's headquarters?

17 A. I believe it's San Francisco.

18 Q. And did Ripple also maintain offices in
19 New York?

20 A. Yes, they did.

21 Q. And at the time that a sale of XRP is
22 finalized -- at the time that the sale of XRP for
23 Mr. Garlinghouse was finalized, where was
24 Mr. Garlinghouse physically located?

25 MR. LEVANDER: Objection.

1 THE WITNESS: I have no idea.

2 BY MS. WAXMAN:

3 Q. At times was Mr. Garlinghouse physically
4 located in the United States?

5 MR. HANIN: Objection.

6 MR. LEVANDER: Same objection.

7 THE WITNESS: I presume so, but I have no
8 idea.

9 BY MS. WAXMAN:

10 Q. Okay. When Mr. Larsen sells on an
11 exchange, does that mean -- does that sale
12 ultimately need to be reflected on the Ledger?

13 MS. ZORNBERG: Objection.

14 THE WITNESS: On the Ripple Consensus
15 Ledger?

16 BY MS. WAXMAN:

17 Q. Yes.

18 A. No, it doesn't.

19 Q. So the sales that occur on centralized
20 exchanges, does the exchange ultimately send the
21 transaction to the Ledger?

22 A. No.

23 MR. LEVANDER: Objection.

24 (Reporter clarification.)

25 / /

1 BY MS. WAXMAN:

2 Q. Does -- where does the XRP -- does the XRP
3 stay in Mr. Larsen's wallet when the sale is
4 finalized?

5 MS. DEARBORN: Objection to form.

6 THE WITNESS: No.

7 BY MS. WAXMAN:

8 Q. What happens to the XRP following a sale?

9 A. If -- if we're the ones offering the XRP,
10 and a buyer comes in and bids through our offer, as
11 soon as the bid crosses the offer, the XRP leaves
12 our wallet, goes to the buyer, and we receive
13 whatever the buyer was using to purchase the XRP.

14 Q. Earlier we were talking about GSR services
15 in connection with ODL.

16 Isn't it true that when GSR provided
17 liquidity in connection with ODL, GSR had no way of
18 knowing if -- if the trade was in connection with an
19 ODL transaction?

20 A. That's correct.

21 Q. And didn't Ripple, after the fact, have to
22 tell GSR whether the trade had been in support of
23 ODL?

24 A. That's correct.

25 Q. And some of GSR's trading was, in fact,

1 not in support of ODL, correct?

2 A. In the sense that we traded with other
3 market participants while we were making markets on
4 those exchanges, yes. That's correct.

5 Q. And when GSR was selling on behalf of
6 Ripple and Mr. Larsen and Mr. Garlinghouse, GSR was
7 selling continuously using an [REDACTED] correct?

8 A. Yes.

9 Q. And those trades happen 24 hours a day,
10 seven days a week, correct?

11 MS. ZORNBERG: Object to form.

12 THE WITNESS: That was the goal.

13 BY MS. WAXMAN:

14 Q. And if a -- if Ripple or Mr. Larsen or
15 Mr. Garlinghouse wanted to alter their trading or
16 stop their trading, wouldn't it take a bit of time
17 for that change to be incorporated into the

18 [REDACTED]

19 A. We have what is effectively a kill switch.
20 Client calls, says stop, we stop. However long the
21 communication took from the client, whether it was
22 an email or a phone call or ...

23 Q. Setting aside the kill switch, if a
24 customer wanted to increase or reduce their trading,
25 would it take a bit of time to incorporate that into

1 the [REDACTED]

2 MS. ZORNBERG: Objection.

3 THE WITNESS: Do you mean like to adjust
4 the percentage of the previous -- yeah. I mean,
5 it's editing a couple lines of code. You have to
6 edit, you have to commit it.

7 BY MS. WAXMAN:

8 Q. And what would you have to do to activate
9 a kill switch?

10 A. You should know that nobody lets me touch
11 any buttons, but our quants -- our quants do have
12 kill switches for this very reason. There are times
13 when -- when you're trading programmatically using
14 code, things can go wrong. And very quickly, you
15 can start doing thousands and thousands of trades.
16 You need to have something to just turn it off
17 before the damage is too big.

18 Q. Has GSR ever activated the kill switch for
19 any of the bots related to either Mr. Garlinghouse,
20 Mr. Larsen or Ripple?

21 A. I'm sure that over the years, you know, if
22 we receive, from Ripple or Mr. Garlinghouse or
23 Mr. Larsen, instructions to stop, we stop as quickly
24 as we can. So we would, you know, hit the kill
25 switch.

1 Q. And going back to an earlier question, was
2 GSR offering trades via the [REDACTED] 24 hours a
3 day, seven days a week?

4 MS. ZORNBERG: Object to form.

5 THE WITNESS: Were we offering trades? Do
6 you mean placing offers to sell?

7 BY MS. WAXMAN:

8 Q. Yes.

9 A. Yes.

10 Q. Ms. Zornberg earlier showed you
11 Exhibit 29, if you don't mind pulling that up. And
12 she pointed out that your prediction regarding the
13 movement of the market was not correct?

14 Do you remember that?

15 A. I remember her pointing it out, yes.

16 Q. And she also pointed out something similar
17 with respect to Exhibit 13.

18 A. Yes.

19 Q. Do you remember that?

20 Putting aside the accuracy of your
21 prediction, did you still have the hope or
22 expectation that the news that are -- the news that
23 is -- the news that's reflected in the email would
24 have an impact on the XRP market?

25 MS. ZORNBERG: Objection.

1 MR. HANIN: Objection.

2 THE WITNESS: I don't understand the
3 question.

4 BY MS. WAXMAN:

5 Q. Did you believe the news could potentially
6 impact the market?

7 A. I mean, I -- I presume. That's why I said
8 what I said on these emails or whatever, yeah.

9 Q. And also putting aside the accuracy of the
10 prediction, the accuracy of your prediction or the
11 accuracy of a prediction by Ripple, did Ripple
12 believe that the news could have an impact on the
13 XRP market?

14 MS. ZORNBERG: Objection.

15 MR. HANIN: If you know.

16 THE WITNESS: I have no way of knowing
17 what Ripple believed, but I presume so.

18 BY MS. WAXMAN:

19 Q. Earlier you testified that GSR had
20 operations within the United States, correct?

21 A. GSR has operations in the United States,
22 yes.

23 Q. Okay. And does [REDACTED] work
24 for GSR's U.S. operations?

25 A. Yes.

1 Q. Did [REDACTED] provide services to Ripple in
2 connection with ODL while he was employed by GSR's
3 U.S. operations?

4 A. He -- he talks -- he coordinates with
5 Ripple.

6 Q. So your testimony earlier to Ms. Dearborn
7 regarding whether GSR provides services to Ripple
8 through a U.S. entity is not --

9 A. The timing was different there. I see
10 where you're going with this, but [REDACTED] joined us
11 at the end of last year and has been doing a basic
12 support function for ODL. But I didn't think -- can
13 we go back to the question that I had answered
14 supposedly wrongly.

15 Q. Well, my question is -- and I just want to
16 do it quickly.

17 MR. HANIN: You didn't answer any question
18 wrong. You didn't answer any question wrong.

19 BY MS. WAXMAN:

20 Q. My question is: Did the U.S. GSR entity
21 provide any services to Ripple in connection with
22 ODL?

23 A. Oh, I see. I see. I guess --

24 MS. ZORNBERG: Object to form and maybe
25 fix a time.

1 THE WITNESS: To the extent that I believe
2 [REDACTED] is an employee of GSR USA, and that he has
3 had some communications with Ripple, I guess that's
4 correct that GSR USA had been involved. But really,
5 the operating company for -- for ODL is GSR Markets.
6 It's not GSR USA.

7 BY MS. WAXMAN:

8 Q. But does [REDACTED] provide any support to
9 Ripple in connection with ODL?

10 A. Basic communications with them, yes.

11 MS. ZORNBERG: The end of ten minutes.

12 MS. WAXMAN: I just have two more
13 questions, if that's okay. I have three questions.
14 I just want to be --

15 Q. Did the SEC ever communicate to you or
16 anyone else at GSR that XRP was not a security?

17 A. No.

18 Q. Did GSR ever call the SEC to inquire about
19 XRP's status under the U.S. securities laws?

20 MR. HANIN: Objection.

21 THE WITNESS: Well, I mean, when you say
22 call the SEC, like I would -- there's not a hotline
23 number, right. But --

24 BY MS. WAXMAN:

25 Q. There is.

1 A. Oh, there is? Oh. But --

2 MS. ZORNBERG: Objection.

3 MR. HANIN: Yeah. Same objection. I'm
4 not aware of a hotline but all right.

5 MS. ZORNBERG: I think that testimony
6 should count as one of your three questions.

7 THE WITNESS: When -- when we spoke with
8 the SEC in January, we -- we tried to be as
9 transparent as possible in the hope that somebody
10 would give us some guidance.

11 BY MS. WAXMAN:

12 Q. Were you aware of any agreement between
13 Mr. Larsen and Ripple in which he agreed not to sell
14 XRP during the period of time that Ripple was buying
15 XRP?

16 MS. ZORNBERG: Objection.

17 THE WITNESS: No.

18 MS. ZORNBERG: That was three questions.

19 MS. WAXMAN: Mr. [REDACTED], thank you very much
20 for your time today. We have no further questions.

21 THE WITNESS: Thank you, Daphna.

22 THE VIDEOGRAPHER: That concludes today's
23 deposition. We're going off the record at 5:27 p.m.

24 (Whereupon, the deposition concluded
25 at 5:27 p.m.)

1 CERTIFICATE OF WITNESS

2
3
4 I, [REDACTED] do hereby declare under
5 penalty of perjury that I have read the entire
6 foregoing transcript of my deposition testimony,
7 or the same has been read to me, and certify that
8 it is a true, correct and complete transcript of
9 my testimony given on August 11, 2021, save and
10 except for changes and/or corrections, if any, as
11 indicated by me on the attached Errata Sheet, with
12 the understanding that I offer these changes and/or
13 corrections as if still under oath.

14 _____ I have made corrections to my deposition.

15 _____ I have NOT made any changes to my deposition.

16
17 Signed: _____
18 [REDACTED]

19 Dated this _____ day of _____ of 20____.
20
21
22
23
24
25

1 CERTIFICATE OF REPORTER

2 I, Kathleen A. Wilkins, Certified
3 Shorthand Reporter licensed in the State of
4 California, License No. 10068, hereby certify that
5 deponent was by me first duly sworn, and the
6 foregoing testimony was reported by me and was
7 thereafter transcribed with computer-aided
8 transcription; that the foregoing is a full,
9 complete, and true record of proceedings.

10 I further certify that I am not of counsel
11 or attorney for either or any of the parties in the
12 foregoing proceeding and caption named or in any way
13 interested in the outcome of the cause in said
14 caption.

15 The dismantling, unsealing, or unbinding
16 of the original transcript will render the
17 reporter's certificates null and void.

18 In witness whereof, I have hereunto set my
19 hand this day: August 13, 2021

20 _____ Reading and Signing was requested.

21 _____ Reading and Signing was waived.

22 x Reading and Signing was not requested.

23 _____
24 KATHLEEN A. WILKINS

25 CSR 10068, RPR-RMR-CRR-CCRR-CLR-CRC

ERRATA SHEET

Deposition of: [REDACTED]

Date taken: AUGUST 11, 2021

Case: SEC v. RIPPLE LABS, INC., et al.

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